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Sakharov Criticizes Changes Asserts Draft Law Gives Gorbachev Too Much Power

By Bill Keller
New York Times Service

MOSCOW — Andrei D. Sakharov, reflecting what appears to be the view of many Soviet intellectuals, warned Tuesday that planned changes in the Soviet political system would give Mikhail S. Gorbachev a dangerous monopoly of power.

Mr. Sakharov, the physicist and Nobel Prize-winning human rights advocate, said that while the newly published draft election laws and constitutional amendments had been touted as a move toward greater democracy, they would actually create a national leader "vested with absolute power."

"Today it will be Gorbachev," he said. "Tomorrow it may be somebody else, and there are not guarantees — we must be frank about this — no guarantees."

He said the draft laws, published last week and scheduled for enactment in just four weeks, have also been designed to restrict the role of alternative political forces such as the popular 10-plus recently organized in the Baltic republics. These organizations, he said, are crucial as a check to the Communist Party, the only political party permitted.

Calling the proposed new system a "time bomb," he said: "It's an extremely serious question, on which the fate of this country probably depends."

Mr. Sakharov spoke at a meeting of American specialists in Soviet affairs and leading Soviet supporters of the political and economic restructuring program that Mr. Gorbachev calls *perestroika*. The discussion was sponsored by the weekly magazine *Ogonyok*.

For Mr. Sakharov, an enthusiastic supporter of Mr. Gorbachev since the Soviet leader ordered him released from internal exile nearly two years ago, the comments were a striking sign of disenchantment with the course of events.

They also represent a wider sense of unease or even alarm among Soviet intellectuals who say the newly designed electoral system falls far short of the broadened democracy they were promised.

Several Soviet participants in Tuesday's meeting, including Yuri N. Afanasyev and Leonid M. Babkin, both historians; Alexander Gelman, a playwright; and Igor Klyamkin, a sociologist, joined Mr. Sakharov in criticizing the new design for the Soviet government.

Some participants in the meeting said the shortcomings of the proposed restructuring were part of a general conservatism that has taken hold of political life since last spring.

They said another example was the recent set of decrees limiting

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An Israeli soldier on guard at a polling place. One woman was seriously injured in a firebomb attack as she was on her way to vote.

Lawson Sees U.K. Boom Cooling in '89

Compiled by Our Staff From Dispatches

LONDON — The economic boom in Britain is surging forward at an even stronger pace than expected, with economic growth likely to reach 4.5 percent this year, compared with 4.25 percent in 1987, Chancellor of the Exchequer Nigel Lawson told Parliament on Tuesday.

But inflation and the current account deficit are also running at much higher rates than the government originally forecast, Mr. Lawson said, confirming fears among private economists that the economy may be overheating.

Mr. Lawson predicted, however, that the boom would cool next year, with the growth rate dropping to 3 percent. "Growth next year is forecast to return to a sustainable

level, while inflation will resume its downward path," he said in his annual autumn statement on government spending and economic prospects.

The annual inflation rate would rise to more than 6 percent in the fourth quarter of this year, peak at an unspecified level in the middle of 1989 and then fall back next year to 5 percent by the end of next year, Mr. Lawson predicted.

But the country's current account deficit, which would reach a massive £13 billion (\$23 billion) this year, would decline only slightly, to £11 billion, in 1989, Mr. Lawson said.

In March, Mr. Lawson forecast economic growth of 3 percent, an inflation rate of 4 percent and a

current account deficit of \$4 billion this year.

Since then, the rapid pace of expansion and mounting inflation have prompted the Conservative government to push up Britain's benchmark interest rate, the commercial banks' base lending rate, to its current 12 percent level from 7.5 percent in June.

"Investment is particularly strong," Mr. Lawson said, "growing twice as fast as consumption, with manufacturing investment expected to show the biggest rise of 5 percent.

The stronger than expected economic growth meant that total tax revenues this year would be £3.5 billion more than forecast in the March budget, Mr. Lawson said.

The fiscal budget surplus, or public-sector debt repayment, was likely to reach £10 billion for

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Gdansk Unites Against Shipyard Closing

By Jackson Diehl
Washington Post Service

All Saints' Day celebrations, hundreds of people trooped around lines of police to light candles and sing antisms at the Solidarity monument outside the main gate of the shipyard, birthplace of the union.

Later Tuesday, members of Solidarity's organizing committee at the shipyard, which was formed during occupation strikes in April and August, gathered in a nearby church and agreed to fight what they consider unwarranted and unjust.

Instead, they said they hoped to join with Communist-run official

unions, the shipyard's workers' council and the enterprise's management in an effort to stop the planned closing on Dec. 1.

"The easiest thing for me to do would be to organize a strike tomorrow," said Alojz Szablewski, chairman of the Solidarity committee at the shipyard. "The whole crew would stop work."

"But I don't want to do that

See POLAND, Page 2

U.S. Says Kabul Missiles Pose Threat to Pakistan

The Associated Press

WASHINGTON — The United States on Tuesday accused the Soviet Union of posing a threat to Pakistan by sending SS-1 Scud missiles to Afghanistan.

The accusation was couched with a veiled warning that the United States was determined to protect Pakistan.

"The Soviet Union knows the government of Pakistan enjoys our support," said the State Department spokesman, Charles E. Redman.

The missiles were displayed in Kabul after Undersecretary of State Michael H. Armacost complained on Monday to the Soviet ambassador, Yuri V. Dubinin, about other arms shipments to the Afghan government, Mr. Redman said.

He said Pakistan was within range of the missiles. But he gave no figure on the number of Scuds now in the possession of the pro-Moscow government. Mr. Redman said.

"Such actions are inconsistent

See AFGHAN, Page 2

In Libyan Invasion of Tunisia, Shopkeepers Are the Victors

By Edward Cody
Washington Post Service

TUNIS — There are two kinds of locusts these days, Tunisians joke: insects, which eat up everything in their path, and Libyan consumers, who buy up everything in their path.

The first variety has done a lot of damage to farmlands in southern Tunisia recently.

But the second variety, crossing the border by hundreds of thousands since Tunisian-Libyan relations were restored, has proved a lifeline for the ailing Tunisian economy.

Nearly 1 million Libyans — a quarter

of Libya's population — have traveled to neighboring Tunisia since Colonel Moammar Gadhafi bulldozed a border checkpoint in April and proclaimed that his countrymen could leave without an exit visa.

Libyans, with plenty of hard currency but little to buy at home, view Tunisia as the high-class department store of North Africa. All-night change booths have sprung up at the border. In Sfax, a southern city, a new market has opened to handle their business.

U.S. exhibitors at a Sfax trade fair in June were told that doing business with America would be fine, but just now Tunisians were too busy cleaning up with

Libyan customers to pay much attention.

Hundreds of taxis, Libyans and Tunisians have started regular runs between Sfax and Tunis and the Libyan cities of Tripoli and Benghazi. Thousands more private cars have carried families on shopping sprees or men traveling alone in search of drink and female companion-ship unavailable under Colonel Gadhafi's Spartan rule.

The Libyan vehicles have become known in Tunisia for their green license plates — and their rooftops piled high on the return trip with fresh vegetables, fruit, kitchen pots, dishes and car parts.

"They've bought everything that isn't nailed down," commented a specialist

who investigated the Libyan consumers' effect on the Tunisian economy.

Some Tunisians have begun to complain that Libyan buyers are pushing up prices. Experts have warned that inflationary pressure indeed is beginning.

Fairly or not, the visitors also were blamed recently for a shortage of tomatoes in the Tunisian market, where tomatoes are usually abundant.

Between April and July, the specialist

said, the visiting Libyans spent a quarter of a billion dollars. Tunisian officials estimated the figure could be double that by now.

This influx of hard cash, coming during a good tourist year in which about 3

million people have visited Tunisia, has been a particularly important windfall.

Prolonged drought has severely damaged the country's agriculture, reducing this year's crop to virtually nothing.

The Libyans enter Tunisia with the maximum allowable amount of dollars or their own hard currency pegged at an artificially high official rate, which they change into Tunisian dinars at the official rate.

As they leave, they change the Tunisian money back into Libyan dinars on the black market, fetching much more than they would at the official rate. This

See TUNIS, Page 2

Gains for Israel's Right Appear to Give Likud Edge to Form Coalition

Compiled by Our Staff From Dispatches

JERUSALEM — The rightist Likud bloc of Yitzhak Shamir is likely to form a narrow coalition government with small religious and rightist parties following Israel's parliamentary elections, television projections indicated Tuesday night.

The projections, which are not

entirely accurate, were based on a

survey of voters exiting the polls.

The survey said the Likud bloc and Shimon Peres' more moderate Labor Party were deadlocked with 40 seats apiece. But it suggested that overall, including minor-party support, the right would get 62 seats and the left 58.

Early Wednesday, Mr. Shamir, the current prime minister, declared that Likud would be able to form a government.

The first returns differed slightly from the exit poll projection. With 718, or nearly 15 percent, of the 4,800 polling stations reporting, election officials said Labor would get 40 seats and Likud 39, if the trend continued.

Although official results will not be known for a few days, gains by rightist parties gave Likud the best chance of forming a government, analysts said. The detailed negotiations among parties needed to secure a coalition were expected to begin immediately.

A Likud cabinet minister, Yitzhak Modai, also quickly claimed that his party could form a 62-seat majority coalition in the 120-seat Knesset, or parliament.

The religious parties, the power brokers in Israeli politics, traditionally support the major party that offers most concessions on public enforcement of orthodox Jewish observances and the most money for their schools and institutions.

Over the last decade, they have moved increasingly to the right.

Rabbi Yitzhak Peretz, leader of the ultra-orthodox Shas Party, which was projected to win five seats, declared to commit his party to the Likud.

"We have no commitment to our voters," he said. "True, our movement belongs to the right-wing bloc, but we will leave all our options open to negotiations."

The telephone survey suggested the right could get a majority of 62 seats, while the left could muster only 58. The forecast was based on an exit poll of about 20,000 voters at 46 polling stations, or about 1 percent of the total.

An independent pollster, Ha-noch Smith, also saw the TV survey as evidence that Mr. Shamir could form the next government. Mr. Smith said, "Shamir is definitely in a better position. The Likud and the parties around it have an edge."

Likud and Labor formed a coalition after the 1984 elections, when neither party could arrange a majority with the small parties.

The future of the occupied territories was the central issue of the election campaign. Labor proposed handing back most of the areas to Jordan through a United Nations-sponsored international peace conference.

Mr. Peres, the Labor leader and foreign minister, favors an Israeli

withdrawal from the Gaza Strip and parts of the West Bank, while Mr. Shamir says Israel's security demands it hold on to the territories.

Yitzhak Shamir, a former UN ambassador and leading Likud politician, linked what he said was a swing to the right to the Palestinian uprising, which began Dec. 8.

The mood at Labor Party headquarters was subdued. But a Peres aide, Avraham Tamir, predicted

See ISRAEL, Page 2



'Attack Dog' Label Is Rejected by Bush

By David Hoffman
and Ann Devroy
Washington Post Service

ST. LOUIS — Entering the final week of his long quest for the presidency, George Bush said Monday he had no regrets about the tone of the campaign.

Michael Dukakis' campaign train rolls hopefully down Truman's tracks. Page 3.

he was the "same old guy" he used to be.

"I don't consider the way I am campaigning as personal," Mr. Bush said, responding to surveys that show voter disenchantment with the harshness of the campaign.

Mr. Bush said he had not used "a lot of real flamboyant language."

"I mean, I've not called him pathetic," Mr. Bush said, using the term Mr. Dukakis uses to describe Mr. Bush's anti-drug effort.

Mr. Bush said he rejected the premise that this had been among the most negative presidential contests in the television era.

"Go back to the Goldwater and the mushroom cloud and this kind of thing,"

See BUSH, Page 3

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Western diplomats and Thai officials said that if that gulf is not bridged, they believe that Vietnam might use it as a pretext to delay its troop withdrawal.

Hanoi was already taking other, less obvious, steps to ensure that the Vietnam-supported government forces in Cambodia were not overrun, the sources said.

These preparations include the return to Cambodia of at least 300,000 Vietnamese civilians who were living in Cambodia before 1979 but were driven out, reinforcement of the Phnom Penh army by thousands of Vietnamese officers and soldiers, many of whom can speak Cambodian or are of Cambodian descent, and maintenance of Vietnamese advisers in key positions in Cambodia.

Prince Norodom Sihanouk told supporters in New York last month that Vietnam and its allies refused to sanction an international peace-

See TALKS, Page 2

Cambodia: Hopes Dim For Talks

By Michael Richardson
International Herald Tribune

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Palestinian in 1985 Hijacking Admits Killing of 2 in Malta

The Associated Press

VALLETTA, Malta — A Palestinian who was the only hijacker to survive the commando raid of an Egyptian airliner in Malta in 1985 pleaded guilty Monday to killing two passengers.

Sixty people died in the hijacking and the storming of the Boeing 737 by Egyptian soldiers, who attacked with guns and high-powered explosives. There were 98 passengers and crew aboard the plane.

The Lebanese-born defendant, Omar Mohammed Ali Rezaq, 25, and two other Palestinian gunmen had commanded the EgyptAir plane, which was flying from Athens to Cairo on Nov. 23, 1985.

Mr. Rezaq pleaded guilty to seven charges, including the killings of Scarlet Maria Rogenkamp of Oceanside, California, and Nitza Mendelson of Israel. The women were shot and thrown to the runway after Jewish and American passengers had been singled out.

Mr. Rezaq could be sentenced to

life imprisonment, the maximum penalty in Malta.

Fifty-eight people died during the storming of the plane, most of them from smoke inhalation during a fire touched off by an explosion. A Maltese investigation said the explosion apparently was caused when a hijacker threw a grenade at Egyptian soldiers. Two of the victims were killed by Egyptian gunfire, investigators found.

■ U.S. Accuses Arafat Aide

The State Department has disclosed that it believed a Palestinian terrorist with close ties to Yasser Arafat, chairman of the Palestine Liberation Organization, was responsible for an explosion aboard Trans World Airlines flight 800 in April 1986 that killed four Americans. The Washington Post reported from Washington.

The disclosure came in a statement praising a French court for the conviction in absentia on Oct. 20 of Abdallah Abd Hawwi Labib, for his role in terrorist attacks

across Western Europe in the mid-1980s. The attacks were aimed at Syrian, Libyan and U.S. targets. Mr. Labib is also known as Colonel Hawwi.

Colonel Hawwi heads the Special Operations Group in the central security apparatus of Mr. Arafat's faction in the PLO, el-Fatah, according to the State Department. A department spokesman, Charles E. Redman, referred to Colonel Hawwi as "the notorious Palestinian terrorist."

The State Department said an aide to Colonel Hawwi, May Mansur, was suspected of placing the bomb aboard the Boeing 727. The bomb ripped a hole in the plane's side and the four Americans were sucked out of the airliner and fell to their deaths shortly before the jet landed in Athens.

The State Department said, "The Hawwi group attempted attacks against other U.S. facilities in Western Europe during the summer of 1986 but were unsuccessful in carrying out these operations."

Minsk Police Break Up Rally, Participants Say

Reuters

MOSCOW — A member of the anti-Stalinist group Memorial said Tuesday that Soviet police used tear gas to break up a rally of tens of thousands of people in the Belorussian capital, Minsk, on Sunday and detained 80 demonstrators.

The meeting was called by local groups to commemorate Stalin's victims, including thousands massacred in a nearby forest from 1937 to 1941, said Kanna Musatyan, the Memorial member.

Miss Musatyan, who said she had spoken to Memorial supporters in Minsk on Tuesday, said it was not clear how many people, if any, were still being held. Estimates of those who took part in the rally varied from 10,000 to 30,000, she said.

The demonstrators, complaining about the slow pace of democratic changes in Belorussia, first gathered near a cemetery on the outskirts of Minsk but were dispersed by police using tear gas, said another Memorial member, Dimitri Leonov.

Some protesters tried to continue the rally several miles away at Kirov forest, the site of massacres by Stalin's NKVD security service, but the police cordoned it off. They again used tear gas to break up a meeting in a nearby field, Mr. Leonov said.

The rally brought together members of groups including the Minsk branch of Memorial, artists' and cinematographers' unions and a new group, the Belorussian Popular Front.

POLAND: Order Unites Gdansk

(Continued from page 1)

because it would be a mistake," Mr. Szablewski said. "This is the ugliest season. People would get sick. You can't sleep out there on Styrofoam. And the government would say, 'Let them strike, they can strike for three months.'"

Mr. Szablewski said both the management and official trade unions strongly opposed the move. He added that he thought the shipyard and city would unite to oppose the liquidation on the ground that it was not economically justified.

"I'm sure this is not an economic issue but a political one," he said.

Mr. Rakowski and other government officials have maintained that the decision to close the shipyard has nothing to do with Solidarity, but is the first move in a government initiative to close unprofitable state enterprises.

The government spokesman, Jerzy Urban, said Tuesday that the liquidation was a "decisive reformatory move."

"There is an understanding between the government and opposition that there is a great need for reform," Mr. Urban said.

Thatcher to Meet With Solidarity, Aides Reaffirm

New York Times Service

LONDON — The announcement by the Polish government that it intends to close the Lenin shipyard in Gdansk, the birthplace of the banned Solidarity trade union, will not affect plans of Prime Margaret Thatcher of Britain to visit the union's leaders there on Friday, her spokesman, Bernard Ingham, said Tuesday.

A Western diplomat said that Warsaw's announcement on Monday put Mrs. Thatcher in an "undeniably embarrassing situation" because of her plans to see the Solidarity leader, Lech Walesa.

Mrs. Thatcher will leave for Warsaw on Wednesday afternoon and will see the Polish leader, General Wojciech Jaruzelski, and Prime Minister Mieczyslaw Rakowski before going to Gdansk on Friday.

At Gdansk, she planned to lead symbolic support to the spirit of greater political freedom in Poland that Solidarity champions by joining Mr. Walesa in placing a wreath at the monument to strikers killed by the Polish Army in 1970.

AFGHAN: U.S. Warns Soviets

(Continued from page 1)

with Soviet undertakings not to conduct offensive operations except in defense of their own forces," Mr. Redman said. "We intend to take this matter up with Soviet officials at the earliest possible opportunity."

■ Missiles Paraded in Kabul

Richard M. Weintraub of The Washington Post reported earlier from Kabul.

Soviet-built Scud rockets were paraded through the streets of Kabul on Tuesday, only hours after a Soviet Foreign Ministry spokesman in Moscow announced that new and advanced weapons had been supplied to the Afghan armed forces.

The arrival came only days before the Soviet Union has indicated it might resume the withdrawal of its forces from Afghanistan.

The Scud has a range of up to 230 miles (370 kilometers), which would put Pakistan's border region, including the city of Peshawar, well within its range. Missiles like the Scud would have limited use against a mobile guerrilla force like the those fighting the Afghan government.

While General Najib has made public appeals for peace talks, he also noted in his speech to the assembly that "shattering blows" would be delivered to "extremists" who continued to fight, particularly "now that we have equipped our armed forces with new and sophisticated weapons."

The Communist Party leader, Major General Najib, in a speech to a joint session of the National Assembly and Senate last weekend, called for talks in Moscow between all factions in the Afghan war. He called on the secretary-general of the United Nations, Javier Perez de Cuellar, to convene an international conference on Afghanistan.

Prime Minister Ziaid Rifai of Jordan warned Sunday that if the election results gave Likud a Knesset majority, "they will be condemning the area to many more years of violence," The Washington Post reported from Amman, Jordan.

Mr. Rifai elaborated on remarks made by Oct. 20 by King Hussein, who said that the political platform of Likud would be an "absolute disaster" that would threaten "the peace of the region."

Mr. Rifai said a Likud victory might lead to another Arab-Israeli war.

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INTERNATIONAL Herald Tribune

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Helping the Reformers

Trading with the Soviets always involves a lot more than commerce. When Helmut Kohl, West Germany's chancellor, went to Moscow last week, he was accompanied by an entourage of some 50 bankers and businessmen who, before they left, had ceremoniously signed 30 contracts worth more than \$1.5 billion. But there was much more to the visit than trade. Mr. Kohl reports that the Soviets offered to release political prisoners as a concession to better relations. President Mikhail Gorbachev called on Mr. Kohl to resist the modernization of non-INF NATO nuclear weapons in Germany, and Mr. Kohl similarly urged the Soviets to eliminate some of their own short-range nuclear weapons. Both sides are treating trade as part of a far broader political exchange.

The week before, Italy's prime minister, Crisico De Mita, was in the Soviet Union bearing \$775 million in trade credits. President François Mitterrand will be there soon, and the British have begun leading again.

Western Europe has decided to finance perestroika. A more prosperous Russia will be a more formidable neighbor, they think, and a Russia that depends on Western credit will be a more predictable one. Some of the motives here are purely commercial. Russia, before its revolution, was an important market for Western Europe,

— *THE WASHINGTON POST*

What U.S. Aid Isn't For

It is not a shopping spree that has brought the former Philippine first lady, Imelda Marcos, to New York City this week. It is a federal indictment.

The Justice Department alleges that she, her husband, Ferdinand, and eight others diverted more than \$100 million of Philippine government funds and \$165 million in fraudulent U.S. bank loans to assemble a New York real estate empire. She has until Thursday to raise \$5 million in bail. For health reasons, Mr. Marcos has been permitted to remain at home in Hawaii. Prosecution of foreign leaders is always controversial, even when they are out of power and the court's jurisdiction is clear. Yet Washington is correct to let this case proceed. It serves both justice and foreign policy.

The Reagan administration assured Mr. Marcos's safety when he fled after the revolt of February 1986. But he went to Hawaii neither quietly nor willingly. He ordered his troops to fire on Manila demonstrators, orders that were fortunately disobeyed. He demanded that U.S. rescue planes ferry him to a Philippine refueling point, only to have Mr. Reagan order otherwise. After arriving in Hawaii, he continued to abuse his hosts with financial and political conspiracies.

— *THE NEW YORK TIMES*

The Embassy Scandal

Tear down the Moscow embassy and build a new one right, says President Reagan. It is a more radical solution than what has been recommended by some of those who have pondered the profligate bugging that prevented the new U.S. Embassy building from being occupied. But as costly as it may be (\$300 million) to replace this \$190 million structure, and as long as it may take (another five years), this may be the only way.

The saga of the two new embassies, America's in Moscow and the Soviet Union's in Washington, is one of the true scandals of American foreign policy. It all started a full 30 years ago, and at just about every stage, a numbing carelessness and naivete in both planning and execution have been evident. That is how the United States came to have an unusable facility in a swamp in Moscow while the Soviet Union has a fully ready new embassy (which the United States necessarily refuses to allow it to occupy) on the high ground in Washington.

A climax of sorts was reached earlier in this decade when the bugging of the structure nearing completion in Moscow was discovered. Typically, the discovery was a random, roiling affair, as different people became aware only at different times and to different

— *THE WASHINGTON POST*

Other Comment

There Will Be Budget Options

One unpleasant fact, never mentioned on the campaign trail, is that the U.S. economy is suffering from overconsumption. Government overconsumption of guns and butter, private overconsumption of cars and butter. But to limit consumption is to impose austerity. And to impose austerity is to risk recession. Higher interest rates would cost consumers buying, but they would also raise the government's cost of financing its \$2.8 trillion debt, push up the value of the dollar and make U.S. exports less competitive.

There is, fortunately, a chance to break out of the Reagan trap. Perhaps by a value-added or national sales tax. By energy taxes that reduce U.S. dependency on foreign oil. By repealing loopholes, such as the tax break on interest costs on home equity loans. By sin taxes on cigarettes and alcohol. By taxing Social Security benefits as ordinary income. By reducing the U.S. military presence overseas. By sinking teeth into Pentagon waste and fraud. By slashing costly farm subsidies ... The point is that the next president will not be without options if he discards the political fraternity's low opinion

— *Jim Cusack in The Irish Times (Dublin)*

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ARTS / LEISURE

Elegance Is In, Opulence Out At U.S. Shows

By Suzy Menkes

International Herald Tribune

NEW YORK — The greatest fashion show in town is going on off-runway. Imelda Marcos is prancing at St. Patrick's in a simple black dress, a few globular pearls, a throwaway striped silk scarf and an oh-so-discreet pin trembling with a mimosa spray of diamonds.

The Philippines' exiled dragon lady appeared in court in a floor-length green gown with butterfly sleeves, her necklace scooped on the bosom and her chignon held.

NEW YORK FASHION

high. On the feet of the woman who thousands of shoes symbolized corruption and caprice were the plainest black pumps.

A whisper went round the Bill Blass show that Madame Marcos had slipped into a back seat at the Pierre. She wasn't there, but she would have found that high society American designers have turned their backs on the opulence and extravagance of the decade.

Bill Blass showed elegant and pretty clothes Monday, fluttering with rainbow-colored chiffon. Carolina Herrera invested heavily in white crepe, and made it up with innocent freshness.

Galloping consumption is out of style — except for the Plaza Hotel's new queen, Ivana Trump. She attended the shows in eggplant red from neck to panty hose, pure and shoes.

Bill Blass majored in color, mixing pimento red and yellow in one curvy suit. Skirts were all knee-length, the jackets often collarless, and color was piped around edges and pockets: almond green with rose, or fuchsia pink with apricot. These shades were inspired by India, and a light touch of that ethnic Indian feeling came with tiny sequined purses embroidered trompe l'oeil in gold on white.

Blass was not out to frighten his favorites, who included Estee Lauder, chic in navy and red check tweed. Betsy Bloomingdale and Nan Kempner, who adored the Blass show.

Bill Blass read the pulse of current fashion. He had pants, but not too wide, often in quiet shades of sand and taupe to go under brighter tailored jackets.

There was a sporty, sophisticated

feel to a navy T-shirt, appliqued with a track number, and worn with navy and white skirts or pants. Evening separates included cricket sweaters and polo shirts with stripes and bodices worked in sequins, and a double layer of chiffon made into a casual top.

Chiffon evening dresses also took up the Indian theme, for colors were pink, apricot and orange, and drapes of fabric across the shoulders were inspired by the sari. Two different colors were twisted into a knot at bosom or waist. The grand finale was a slender orange chiffon gown — its back cascading in a rainbow of blush pink, fuchsia, melon and apricot.

Carolina Herrera said it with crepe. Her soft, wide white pants — including shorter, calf-length culottes — went under anything, from neat daytime tailored jackets, a swingy short top, or cropped navy spencers patterned with sequined stars and spots.

Wide-leg jump suits came out under loose, feather-light coats that also swing over shorter dresses to give a perky effect of swing and clink. Skimp dresses in black crepe looked a little drab, but a different version in her signature white crepe with short skirts flitting out above the knee looked young and fresh.

In a different mood, Norma Kamali continued her long-standing love affair with nostalgia by taking a trip to Coney Island when that was a recreational hot spot.

It brought out the best in Kamali, whose bias-cut wide pants and ankle-length slip dresses moved the focus away from her signature square-1940s-shoulder line, which was softer this season.

Skirts in New York have been generally safe and short. Kamali's were ultra long. A high-waisted pantoufle line with cross straps at the neck balanced the length well, but long soft coats, caught up 1920s-style at the hips, looked as though they had come from the thrift shop.

Kamali is in her element with Hollywood mailots (a line developed for Bloomingdale's). They were all in white with draped halter necks and ruched skirts. Two-piece swimsuits had deep tops and corset-length lower halves that were a long way from the teeny-weeny bikini.

The Associated Press
Carolina Herrera focused on long dresses with flower prints.The Associated Press
Bill Blass: short for day, slinky with embroidered jacket at night.

GENERAL NEWS

French Abortion Pill Controversy Sparks Church-State Feud

By James M. Markham

New York Times Service

PARIS — Reviving old enmities, church and state have stumbled, almost reluctantly, into a clash over the emotional issue of abortion in France. Although this is a highly secularized nation, a series of controversies have demonstrated the powerful and passion of committed Roman Catholics and has provoked an angry debate about both freedom of expression and a revolutionary new abortion pill.

The firebombing of a Paris cinema house that was showing Martin Scorsese's film "The Last Temptation of Christ," which was denounced as sacrilegious by the church, and commando raids and threats against other movie houses have effectively prevented it from being shown. Free-thinking France, where fewer than 14 percent of the people regularly attend Roman Catholic church services, has earned an unusual distinction in Western Europe.

Church leaders have also protested a film by Claude Chabrol, "Une Affaire de Femmes," which tells the real story of a woman abortionist beheaded by the Vichy authorities in 1943. At least one movie theater has censored the film to remove a

blasphemous outburst by its star, Isabelle Huppert.

Last week, in a decision freighted with international implications, a French company that had developed a drug to terminate pregnancy shortly after conception announced it was suspending distribution because of coordinated protests by anti-

NEWS ANALYSIS

abortion groups in France, West Germany and the United States. The company, Groupe Roussel-Uclaf, and the West German chemical giant that controls it, Hoechst A.G., feared a boycott.

But then, in an abrupt reversal, Claude Evin, who is the health minister and government spokesman, announced that he had ordered Roussel to manufacture the pill "in the interest of the public health."

The government effectively extended political protection to the pharmaceutical concern, which appeared to be keener than Hoechst to go forward with the pill. Roussel had timed its withdrawal announcement to coincide with an important medical conference in Rio de Janeiro, producing

a predictable outpouring of criticism from health specialists.

"I know that abortion is a major theme in the American election campaign," said a senior adviser to Prime Minister Michel Rocard, noting that protests over the Roussel pill were much fiercer in America than in France. "But here in Europe we are much more cool about it. Abortion is taken for granted."

After being named prime minister in May, Mr. Rocard, a moderate Socialist, observed with satisfaction that one of France's most ancient quarrels — pitting the Roman Catholic Church against anti-clerical Republicans — was over. Yet today both Mr. Rocard and the Roman Catholic hierarchy are concerned about ferment on the religious right, though for different reasons.

The Socialist Party has unhappy memories of street protests in 1984 — fueled by Catholic militants — that defeated its attempt to bring church and other private schools under tighter state discipline. And Mr. Rocard, now at the head of a minority government, is busily seeking alliances with Christian Democratic "centrists" who have close ties to the church.

As World Warms, Upheaval in Farming

By Barry James

International Herald Tribune

PARIS — A joint East-West study group, in a report on the effect of global warming on agriculture, predicts that over the next few generations crop production will dramatically improve in parts of the Soviet Union while mountains of stockpiled grain in Western Europe are likely to grow higher.

The four-year study, to be released Wednesday, also predicts the buildup of an enormous rice surplus in Japan and says that cold countries like Finland and Iceland may become major agricultural ex-

ports. At the same time, it warns of a return to dust bowl conditions in the wheat belt of the United States and Canada, and an increased frequency of drought in large parts of the Southern Hemisphere.

The two-volume study, "The Impact of Climate Variations on Agriculture," was produced by the International Institute for Applied Systems Analysis, near Vienna, in conjunction with the United Nations Environment Program.

The institute, set up in 1978 by the United States and the Soviet Union to help ease world tensions, is supported by scientific organizations in 16 member countries. It employs about 100 scientists and 100 other staff members, evenly selected from East and West.

The institute says its climate project is the most detailed of its kind in estimating the long-term impact of a warming trend on agriculture. In describing scenarios for what might happen in the next century, it extrapolates from past climate phenomena — such as the 1982-1983 series of droughts in the Southern Hemisphere — and assumes that the amount of carbon dioxide in the atmosphere will double.

Carbon dioxide, which results from the burning of fossil fuels and the elimination of forests, traps the sun's rays and is primarily responsible for the warming trend known as the greenhouse effect.

"Present assessments," the report says, "indicate that increases in global mean annual temperatures of between 1.5 and 5.5 degrees centigrade are likely to occur as a result of increases in carbon dioxide probably between 2030 and 2100." That is roughly the equivalent of 3 to 10 degrees Fahrenheit.

But predicting exactly when or to what extent climate changes will occur is still an inexact science. The study points out the impossibility of accurately predicting rainfall or guessing how governments or farmers might react to a warmer climate.

Mark Parry of Birmingham University in England, who directed the team of 76 scientists taking part in the study, said the warming trend was likely to bring about major geographical shifts in growing patterns. He said it would also

By Mervyn Rothstein

New York Times Service

"I'm a critic of the myth of the cowboy," says Larry McMurtry, "I don't feel that it's a myth that pertains, and since it's a part of my heritage I feel it's a legitimate task to criticize it."

The 52-year-old, Texas-born McMurtry, the author of the Pulitzer Prize-winning "Lonesome Dove" as well as of "Terms of Endearment," "Texasville," "The Last Picture Show" and "Horseman, Pass By" (his first novel, and the basis for the movie "Hud"), has spent much of his career trying to break down the myths of the Old West.

In "The Last Picture Show," "Texasville" and "Horseman, Pass By," he wrote of the largely negative effects that the values of the Old West had had on contemporary life. In "Lonesome Dove," an 843-page novel about an 1870s cattle drive, he dealt with the disparity between the mythic West of pulp fiction and the much less romantic reality of day-to-day frontier life.

McMurtry continues the attempt in his new novel, "Anything for Billy," a fictionalized version of the last days of Billy the Kid. "If you actually read the biography of any of the famous gunfighters," he says, "they led very drab, mostly very repetitive, not very exciting lives. But people cherish a certain vision, because it fulfills psychological needs. People need to believe that cowboys are simple, strong and free,

and not twisted, fascist and dumb, as many cowboys I've known have been."

His criticism of the myths, he says, can be unpopular. "Some people read 'Lonesome Dove' as a reinforcement of the myth," he says. "They want to believe that these are very good men."

The worst effect of clinging to these myths is simplification, or rather oversimplification, he says, "not merely of the experience of the cowboy, but of human experience itself, as lived in the American West or any other place."

"You're dealing with a romanticization," he says. "The flaws in the structure are rarely described, are rarely pointed out. I don't think these myths do justice to the richness of human possibility. The idea that men are men and women are women and horses are best of all is not a myth that makes for the best sort of domestic life, the best sort of cultural life. It's very exclusory. It is a code that for all practical purposes excludes women. It shuts almost everything out except nature and work, and I don't think that's good."

McMurtry lives a portion of the time in Washington, where he is part owner of a rare-book shop. He also spends part of the year in California, where he has occasionally written for the screen. He co-wrote the script of his "Last Picture Show" with Peter Bogdanovich. But he also spends part of each year in Texas, on the family ranch near Archer City, the model for Thalia in "The Last Picture Show" and

"Texasville." Most of his books deal with his Texas heritage.

"I'm interested in how legends arise," he says. "Take Billy the Kid. Here was a man, a boy, really, who had a short, commonplace life. How could he have produced a legend, and a bibliography with thousands of items in it? There's an element of sheer publicity in it. It was a time when the Old West was becoming very useful in popular fiction, for the exploits of Westerners were beginning to have importance in the national imagination."

"That moment" — the 1870s and 1880s — "the West, which has been so glorified in myth, was actually ending. The open West was gone, the cowtowns were becoming respectable, the mining towns were petering out. The ground for that body of myth was changing, becoming civilized, suburbanized. And more or less at the same moment, the popular press, as represented by the dime novel, was beginning to transform a very crude environment and an uncertain way of life into something heroic — which mostly it wasn't."

"It occurred to me in 'Lonesome Dove' that the man who drove the cattle up the trail were in the process of killing the very thing they loved. They knew it, and the knowledge left poignant to what they were doing and their memories of it. And the point at which a certain way of life begins to die, and begins to be transformed into a very crude myth, is interesting. And that's the focus of 'Anything for Billy.'

Exotic 'Blue Leaves' in a New Theater

By Sheridan Morley

International Herald Tribune

LONDON — The opening of a theater is always a cause for celebration, and it is greatly to the credit of Nick Hamm, the former Royal Shakespeare Company director, that he has chosen to launch

THE LONDON STAGE

the Baylis within the Sadler's Wells complex by giving a long-overdue London premiere to John Gielgud's exotic and eccentric "The House of Blue Leaves."

The play first turned up off-Broadway in 1971 but only became an established hit after the 1986 revival at the Lincoln Center. Set in the New York borough of Queens in 1965 when the pope came to visit the Big Apple, Gielgud's zany farce treats of a family on the borderline where the American dream turns into an urban nightmare. "When famous people go to sleep," as one of them proudly notes, "it's us it dream of."

Among the characters can be found many of the stalwart misfits of comedies by Kaufman and Hart. There's the failed songwriter and sometime zookeeper (Dennis Quileley) and his mad wife (Nicola McAliffe) and the brain-dead doxey he wants to run away with.

Porter's songs now work very much better in concert form than when his old plot-songs are dusted off. Though More once triumphantly turned "Irma la Douce" into English, he has here been defeated by the quintessential phoniness of Porter's Paris, a never-land always overflowing with knee-jerk dancing and amorous judges

(Helen Lederer), and a son who's a bomber, and a friend who's a Hollywood tramp. Together they add up to a kooky tapestry of obsessive losers forever trying to slash their wrists with spoons or overcome gaudy mauls.

Hamm's production has lost some of the intense comedy of the Lincoln Center revival, but he still manages to establish a dark fence about fame and madness and guilt and Oscar and fervent escapism and desperate failure and everything else that still gives America most of its manic intensity.

To the Strand comes "Can-Can" heavily rewritten so that instead of an appalling 1957 book by Abe Burrows we merely get a very bad one by Julian More. Patched into the score are a good many Parisian songs by Cole Porter, most of which have even less to do with the plot than those he originally wrote of.

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and lovelorn brothel-owners singing numbers that have an astonishing lack of drama or energy.

It is also more than a little wasteful to use Donna McKechnie, a great show dancer, in a fundamentally non-dancing role that demands a lot of the acting and singing, at which she is less than wonderful.

A really disappointing evening.

Forty years ago "Brigadoon" was the first Broadway hit of Lerner and Loewe (and the one that established them as the heirs of Rodgers and Hammerstein, albeit in a more literary and European bent).

Seen now at the Victoria Palace in its first major London revival, the plot is admittedly extremely creaky, a weird hodgepodge of "Love Horizons" and "J.M. Barrie" in which a couple of American time-travelers come across a whole community that only surfaces once every hundred years, and some might say quite often enough at that.

But those songs are still breathtaking. Around them it may be true that very little happens very slowly, yet during every one of almost 20 classic numbers you are reminded of the sheer cascading

wealth of a Broadway musical world now as lost as "Brigadoon" itself.

Any show of the 1980s would be more than lucky to have just one of those songs; Lerner and Loewe supplied a dozen even before the interval, from "Bonnie Jean" and "Heather on the Hill" all the way through to "Almost Like Being in Love."

Lerner's problem was that, though a great lyricist, he lacked dramatic energy, so his books worked best when they were "Pygmalion" or "Gigi" or "The Once and Future King" and came pre-structured in already existing plays or tales. When he had to invent a story line, it was more than a little shaky but a largely competent cast from Plymouth, working in clouds of dry ice and a production by Roger Redfern, do their best to bring it back to a kind of life.

When you have seen one sword-dance you have seen them all, and Lesley McKechnie has an unrelenting charm as Meg, but Jacinta Mulcahy and Robert Meadmore are pleasant enough as the young lovers. Robin Nedwell gets what laughs he can as the Brooklyn bud, and Leonard Maguire is suitably craggy as the old master of eccentric Scots ceremonies.

Dining Out	
CANNES	
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Consensus in the Netherlands

Imbalances Plague Efforts to Reduce 14% Jobless Rate

By Ronald van de Krol

AMSTERDAM — For a full year, the PTT, the Dutch post and telecommunications company, offered its employees a bonus of 1,000 guilders (\$475) each for every woman they could bring into the organization to fill managerial positions.

In a somewhat similar attempt, the Delft-based biotechnology company Gist-brocades offered to pay 5,000 guilders to any employee who could come up with a qualified computer expert — male or female — to fill vacancies at the company.

The response, in a country with one of the most stubborn unemployment problems in the 12-nation European Community, was meager.

At the PTT, the experiment was discontinued last summer because "not one woman manager entered the organization through this route," according to a spokesman, Gert-Jan Versteeg. At Gist-brocades, the bonus system yielded only a couple of computer specialists, and the plan has since been dropped.

The hiring difficulties of the PTT and Gist-brocades are just two examples of the serious and deep-seated imbalances that plague the Dutch job market and frustrate efforts by the government of Prime Minister Ruud Lubbers to reduce the country's 14 percent jobless rate.

On the one hand, demand for highly qualified women and for highly trained employees in general has never been higher, or more difficult to satisfy.

On the other hand, the ranks of the country's 685,000 unemployed are increasingly made up of people who have been out of work for two years or more, who have low levels of training and schooling, and who consequently have little hope of finding the types of jobs that are being offered.

This situation presents Jan de Koning, minister of social affairs and employment, with special problems. Although the Lubbers government has presided over the largest amount of job creation of any EC coun-

try, the jobs are simply not being filled by the long-term unemployed.

At the same time, the rise in the overall number of jobs has coaxed Dutch women — who, compared with women in the rest of Europe and North America, have traditionally not worked outside the home — to try their luck on the job market, alongside the annual influx of school graduates.

This increase in potential workers has more or less kept pace with the increase in jobs, meaning that overall unemployment has barely fallen. Mr. Lubbers, who vowed at the start of his second four-year term in 1986 to reduce the jobless ranks to 500,000 by 1990, has already had to concede that this goal cannot be reached.

In addition, further scarcities of skilled workers loom ahead as a result of the "graying" of the population, meaning that women in particular are going to have to enter the labor force in greater numbers if these jobs are to be filled.

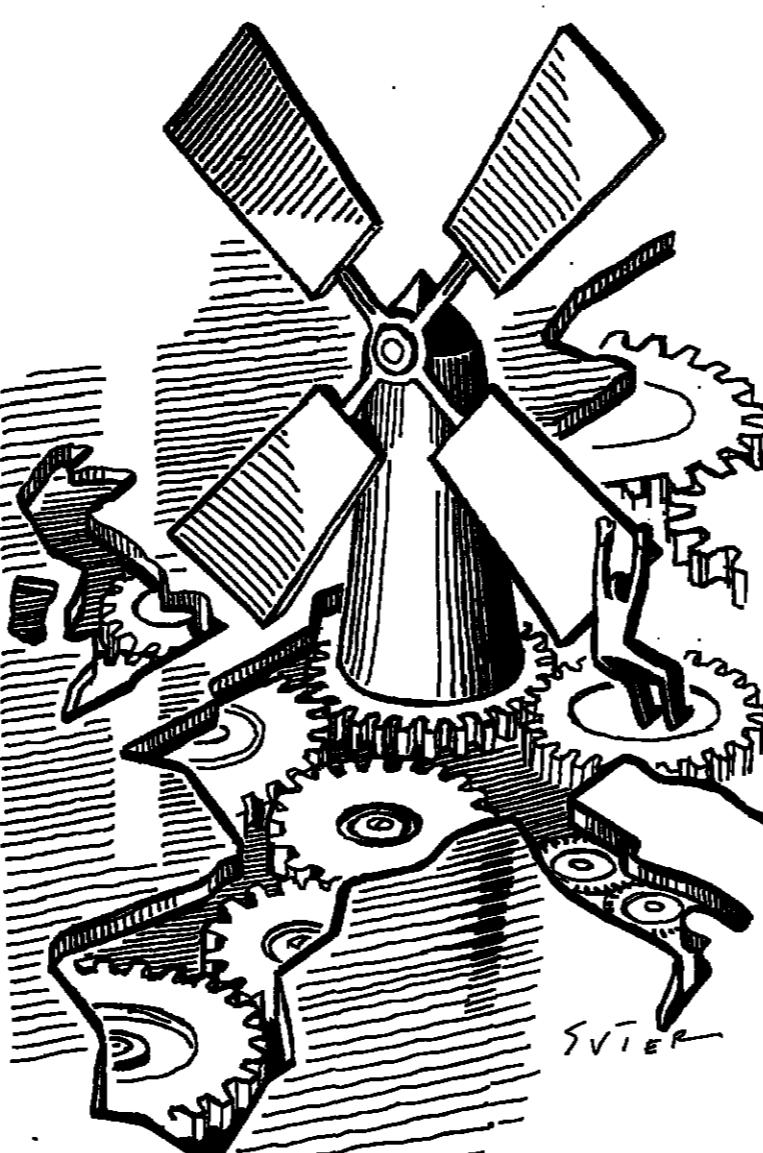
"There is already a very great need for experienced secretaries, and nurses and other medical personnel will also be in demand," said Sabrina Sobeek, a product manager at Vedor, a temporary employment agency which runs special courses for women who want to re-enter the job market after years of working exclusively in the home.

The Netherlands has the lowest percentage of women in the work force of any country in northern Europe with the exception of Ireland. In 1987, for example, only 40 percent of Dutch women worked outside the home, compared with more than 50 percent in most comparable European countries and as much as 65 percent in the United States.

The discrepancy becomes even larger in the upper reaches of Dutch corporations and government.

Anne-Marie Coppens, chairwoman of the Women and Management Foundation, a recently established head-hunting firm that aims to find senior women managers for Dutch businesses, estimates that less than 5 percent of top managerial jobs are held by women in the Netherlands.

Women's groups say that the government



will need to pump more money into child care if the Netherlands is to build up its female work force. At the moment, only one in five working mothers has organized child care at her disposal, statistics show. As a result, two-thirds of first-time mothers quit their jobs after giving birth, while the rest tend to work shorter hours and make private babysitting arrangements with parents or neighbors.

While the projected scarcity of female labor is still several years away, the problem of finding jobs for the long-term, unskilled unemployed is more immediate. Of the

Continued on page 10

EC's 1992 Deadline Helps Blur Party Lines

Every Dutchman is part vicar and part trader — claiming the high ground but adept at deals.

By Henry Tanner

THE HAGUE — Prime Minister Ruud Lubbers, who for six years has been heading a center-right government that believes in privatization and fiscal frugality, is getting good marks even from the Socialist opposition.

"Consensus," "no-nonsense politics," "new realism" and "new objectivity" — after the no-frills anti-movement of the 1980s — are the political catchwords of the day, summing up the determination of the political parties to get along with each other.

Two issues of left-right confrontation that clouded the 1970s and early 1980s are no longer on the agenda.

The conflict over the North Atlantic Treaty Organization's plans for stationing new U.S. cruise missiles on Dutch soil was made moot by last year's signing of the U.S.-Soviet treaty on intermediate-range nuclear weapons.

And the debate over the future of the welfare state has been resolved to the extent that the Labor Party has dropped its maximalist positions of earlier decades while Mr. Lubbers has managed to convince most Dutchmen, even of the left, that he is cutting little more than the fat from social spending and is leaving the welfare system itself intact. What continues is a debate on how much and where to cut.

On both sides of the left-right divide, officials now feel that a coalition between the opposition Labor Party and Mr. Lubbers' Christian Democrats should be attempted after the next parliamentary election, in early 1990.

Even a coalition between Labor and the conservative Liberals is not ruled out — so whittled down have the ideological differences become. The Liberals are the junior party of the Christian Democrats in

the present government. But many politicians say that the coalition is beginning to show the fatigued and that tension between Mr. Lubbers and Voorhoeve, the Liberal leader, has been growing the last year.

The newfound moderation of the parties of the welfare state is largely due to a new urgency prompted by the creation of a European market after 1992.

The Dutch, for the most part, have advocates of a united Europe for whom they have just been told that they are mostly of the wrong kind.

In a new book entitled a "Save young political scientist, Paul Scheffer, being a small trading nation and aggressive nationalistic impulses, neighbors, the Dutch have been idealized, unproblematical and."

The book's cover shows a heraldic animal, sitting on a rope. Being satisfied is not satisfied, the author said in.

The Dutch tend to think a really enlightened country idealized self-image is a plus, added, because it makes the others. Countries like will behave like the most powerful are and will do so.

The author, who is close to nuclear-free Europe, a Dutch Socialists. He of every sort will be tough and between Europe and planners and industrialists later point.

Queen Beatrix, delivered policy statement this year, challenges of 1992.

"The idea of 1992 is coming. Are we able to costs too high? Are our standards good enough?" said Abram van Amsterdam University who are legitimate but must not

Geography plus trading an

Continued on

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مكتب الأصل



John Capper/Associated Press
expected to be the largest share offering at Amsterdam stock exchange.

'No-Nonsense' Management Reaps Its Rewards

By Ronald van de Krol

THE HAGUE — Halfway through his second four-year term, Prime Minister Ruud Lubbers can point with satisfaction to a clutch of economic successes: inflation is all but nonexistent, interest rates are low, company profits are up, corporate investment continues to be strong and exports remain buoyant.

In short, the economy, under Mr. Lubbers's "no-nonsense" style of economic management and his assault on the runaway government spending that marked the prosperous 1960s and 1970s, is far removed from the state in which Mr. Lubbers' center-right coalition found it when he assumed office in the midst of recession in 1982.

Some of the credit for the turnaround can be pinned to the resilience of world trade, a key factor in the health of the export-oriented Dutch economy.

Mr. Lubbers and his coalition have garnered much of the credit, too, putting them in a strong position in the run-up to the general election of 1986. Mr. Lubbers has already taken the unusual step of announcing two years in advance

that he will be seeking a third term.

But for all his economic successes, Mr. Lubbers still faces the supreme intractable problem of unemployment as well as a nagging concern — state finances.

In the flush of his re-election victory in 1986, Mr. Lubbers said that reducing the country's unemployment would be his top priority, and he promised to lower unemployment by 50,000 a year to 500,000 by 1990.

Mr. Lubbers's willingness to go on record with a specific target is bound to come back to haunt him when campaigning begins in earnest. Already, his government has acknowledged that, with unemployment still hovering just below 700,000 for an official unemployment rate of 14 percent, this goal is unattainable.

Still it seems that the government can continue to count on good news on the economic front right up to the next general election.

In its annual September forecast accompanying the government's budget for the coming calendar year, the semi-independent Central Plan Bureau published its most optimistic assessment for years. Industrial production in 1988 is forecast to rise by 3.5 percent, the second-highest result so far in the 1980s, while national income, adjusted for inflation, is tipped to show 3 percent growth in 1989 after increasing by a projected 1.75 percent in 1988.

The 170 billion guilder (\$85 billion) budget for 1989 also contained an abundance of good fi-

nancial news from the government's point of view.

In addition to previously agreed spending reductions, the budget called for extra cuts next year of 1.3 billion guilders, mainly in education, housing and defense. The government's statement also predicted that it would meet its long-standing goal of reducing the financing deficit to 3.25 percent of national income in 1990, well below its postwar high of 10.1 percent that was reached in 1983.

Finally, as a prelude to a major program of tax cuts and tax reform planned for 1990, the gov-

In 1989, for example, the central government will spend 21.9 billion guilders on serving its debt, marking the second-largest single item of expenditure after education.

The state of the government's finances prompted Wim Duisenberg, president of the Dutch central bank, to complain earlier this year about the slow pace of putting them back in order.

The widely held view that we have gradually made decent advances in restoring the health of public finances is perhaps based on wishful thinking, hope or anxiety fatigue or whatever, but not on the facts," he said.

In an interview, Finance Minister Onno Rieding said that Mr. Duisenberg's criticism was partially justified.

"We have a deficit that is too high, and we could and should have done more," he conceded.

"But he has disregarded a major factor in which we, unfortunately, are unique, and that is the enormous drop in gas revenues."

Revenues from natural gas production have collapsed dramatically, reflecting the weakness of oil prices and the fall of the dollar, both of which ultimately translate into lower gas prices.

Between 1985 and 1987, gas revenues plummeted from an annual 23 billion guilders to 7 billion guilders.

"That 16 billion guilder drop is equivalent to 4 percent of GNP disappearing in the space of two years," Mr. Rieding noted.

The dwindling of gas revenue is symbolic of the changes in Dutch society and the Dutch economy over the past 25 years. In the

1960s, the coming on stream of natural gas production in the northern province of Groningen heralded the advent of unprecedented prosperity in the Netherlands and the establishment of an elaborate and generous welfare system providing subsidies and grants to artists, industry, minority groups and, later, to just about any worthy social project.

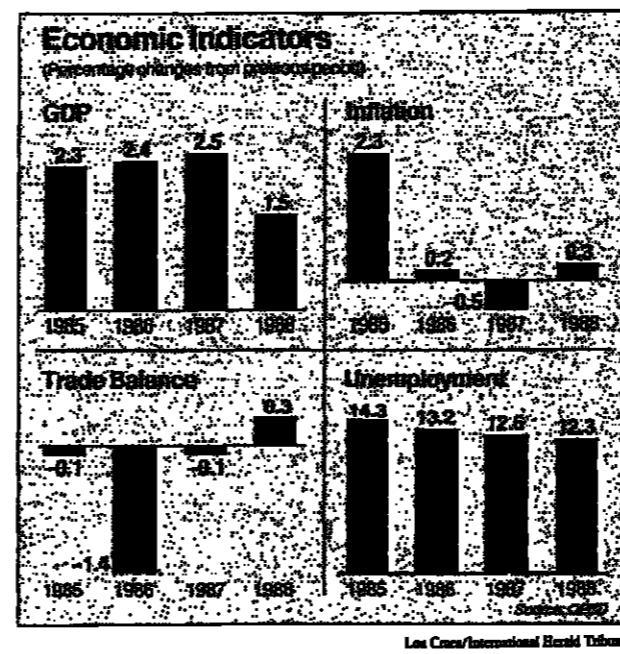
In the first years of the Lubbers government, welfare payments were lowered and then frozen, although they remain generous by most standards. For example, people who draw disability payments — and the Dutch have the world's highest percentage of disability recipients — now receive 70 percent of their former salaries until they reach the age of 65, down from 80 percent in the early 1980s.

Mr. Rieding noted that the government had succeeded in reducing unemployment among young people and school-leavers generally.

What remains, however, is a hard core of long-term unemployed, whose skills and schooling do not qualify them for the vacancies that do exist.

While he acknowledged that some "austerity fatigue" had set in, making it more difficult for the cabinet to enforce budgetary discipline, Mr. Rieding said efforts to control state spending will have to continue into the 1990s, adding that support for fiscal fragility was broadly based.

There is broad support — even from the Socialist opposition, unlike a few years ago — for bringing down the budget deficit after 1990," he said.



Face of Privatization

By Madlyn Resener

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After the discovery of natural gas fields near Groningen in the 1960s prompted a government decision to close the coal mines, DSM was left to pursue its chemical activities as the core of an ambitious diversification program. DSM was managed as a private company; the government acted merely as an adviser.

By the time the last coal mine was closed in 1973, the company had a fast-growing chemicals division, though it soon ran into difficulty in the late 1970s, which brought higher raw material prices and culminated in the 1982 recession. Since then, the company has climbed back to respectable profit levels. Last year it reported a net profit of 442 million guilders on revenue of 9 billion guilders.

The company will continue to receive 130 million guilders in a tax-free subsidy from the government for management of the country's natural gas activities. That will offer some protection from any economic downturn that DSM's competitors do not enjoy, analysts noted.

The government's initial sale of 30 percent of DSM is expected to raise \$800 million to 1 billion guilders, making it the single largest offering of new shares ever on the Amsterdam Stock Exchange.

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Horticulture's Silver Lining

By Ronald van de Krol

NAALDWIK, Netherlands — As the dark days of winter approach, a small group of farmers in the Netherlands' Westland region — the world's largest collection of high-technology greenhouses — is getting ready to tickle nature into prolonging the growing season.

The farmers, using a new generation of powerful sodium lamps, will soon be flooding their greenhouses at night with orange-colored light to compensate for the weakness of the light during the northern European winter.

The intensity of the artificial light makes tomato plants, cucumbers, lettuces and roses think they are getting more light than is actually present, and they respond accordingly — by growing steadily throughout the winter.

The technique, called "assimilation lighting," is expensive, requiring a total investment of up to 1 million guilders (\$475,000) per farmer. But it is slowly catching on, marking a further advance in

Dutch horticulture's battle to use sophisticated, automated greenhouses to compensate for the lack of sun and warmth in the climate.

But increasingly, greenhouses, and horticulture generally, are also helping to insulate Dutch agriculture from the politics of the European Community's agricultural policy.

As the EC tries to clamp down on overproduction of such products as milk and grain, Dutch farmers are stepping up their plantings of products that fall outside the price-regulatory domain of the EC — flowers, vegetables and fruit.

The adaptability of Dutch farmers, as well as their intensive growing methods, helps explain why agriculture, a key export-oriented sector of the Dutch economy, continues to book new advances at a time when farmers in the rest of Europe are mostly confronted with declining incomes.

In 1987, Dutch farm incomes rose an average 3.6 percent, in sharp contrast to the 5.1 percent decline recorded in the EC as a whole. Overall, the Dutch agriculture and the foodstuffs industry

produced another hefty trade surplus of 17 billion guilders last year.

Agricultural products again accounted for 25 percent of all exports, confirming the Netherlands' long-standing position as the world's second-largest agricultural exporter after the United States.

While the agricultural sector is certainly robust, there are problem areas. "Comparisons at the national level show large discrepancies between the various sectors," Gerrit Braks, minister for agriculture and fisheries, said in his 1988 budget statement. "Horticulture, for example, booked good results. By contrast, results in arable farming were disappointing."

The decline in cash crops was the result of lower grain prices, lower prices for unregulated products such as potatoes and onions, and reduced harvests last year.

The dairy sector, which still accounts for 30 percent of Dutch agricultural production, meat supplies have generally held its own despite the introduction by the EC of a "super levy" on milk production several years ago.

Nevertheless, the levy, imposed

on any surplus output above a fixed level, has clearly succeeded in reducing production, with Dutch milk output next year forecast to be 12 percent lower than it was in 1983.

Dutch dairy farmers, arguing that the EC's clampdown on overproduction threatens to create milk shortages, now want the super levy system to be made more flexible through, for example, allowing one farmer to "lease" his milk quota to another farmer. Mr. Braks has promised to launch a study of this and other options during the autumn.

In pig, chicken and calf husbandry, limits to growth of another kind have emerged. Until recently, greenhouses disenchanted with dairy farming could easily be persuaded to turn to pig breeding and poultry farming.

But now, following nearly two decades of steady expansion of the Dutch livestock sector, meat supplies appear to have caught up with demand.

Compared with the stagnation of the dairy and livestock sectors, which together account for 65 per-



John Coppen-Hansch

Flowers are prepared for market in Aalsmeer.

cent of production, "horticulture under glass" is expected to show steady growth of 5 percent per year over the next few years.

David Lutje, chairman of Cebe-Handelraad, an umbrella organization for various buying and selling cooperatives in the agricultural sector, has estimated that animal-based agriculture will

account for only half of production by the year 2000.

"By then, greenhouse horticulture will easily be the largest agriculture sector in the Netherlands," he said in a speech earlier this year. At the moment, horticulture, both under glass and in the open air, has a 30 percent share of total agricultural production.

At the moment, bulk cargo, such as crude oil, oil products, coal, iron ore and grain, still accounts for 80 percent of Rotterdam's tonnage. That percentage is expected to drop gradually, however, in favor of container transport/general cargo.

Amsterdam's Schiphol Airport is also chiseling a bigger niche in the world transport of cargo. Last year it handled more than 513,000 tons of incoming and outgoing cargo, a 14 percent increase over 1986.

The airport's spokesman, Rien Floris, is certain that this year's growth rate will exceed 15 percent.

Transport Minister Neelie Smits-Kroes believes that the Dutch can make the Netherlands a genuine European distribution center for goods from the Americas, the Far East and other countries.

Last year, Rotterdam launched an electronic message network, the International Transport Information System, to link the port's cus-

tomers to shipping lines, cargo agents and freight forwarders. The system is designed to facilitate a paperless transfer of data, allowing exporters and importers to keep track of cargo movements.

In 1987, Rotterdam retained its leading position by achieving an overall transhipment of 255 million tons, including 208 million tons in general cargo. Developments in the crude oil trade caused a slight decrease in the transhipment of oil products last year: 19 million tons as against more than 22 million tons in 1986. But the flow of crude remained stable at 77 million tons.

At the moment, transport circles are optimistic that Rotterdam, as the busiest and largest port in the world, will retain its leading position, particularly in regards to European-bound cargo from North America.

The Dutch are worried that ports like Antwerp in Belgium, or Hamburg and Bremen in West Germany, are lying in wait to grab Rotterdam's leading position, not only in the shipment of goods for Western Europe, but for elsewhere in Europe.

And while officials in The Hague claim that Rotterdam's position might, in the long term, be on the wane, the Rotterdam Port Authority is preparing to adapt Rotterdam from a simple transit harbor into Europe's distribution center.

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FRANK DE JONG writes from the Netherlands for the London Daily Express and Irish newspapers.

2 Cities Hoping To Increase Role as European Gateways

By Frank De Jong

AMSTERDAM — The Dutch hope that their country will be able to play a major role as a "Gateway to Europe" when the European Community pulls down its inner borders at the end of 1992.

By and large, transport circles are optimistic that Rotterdam, as the busiest and largest port in the world, will retain its leading position, particularly in regards to European-bound cargo from North America.

The same goes, more or less, for Amsterdam's Schiphol Airport, the fifth largest in Europe, which has steadily improved its position as the turnkey for American aircraft destined for a number of countries in Europe.

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1992 Helps Blur Rivalries

Continued from page 7

the Netherlands the "Gateway to Europe." But the Dutch now worry that their gateway position — Rotterdam, the world's busiest port, the Rhine River and the rail road and road network leading south to the Ruhr — may be bypassed by new traffic lines. A government commission recently warned that the Channel Tunnel and France's high-speed trains will create new direct links from the Atlantic to the fastest-growing industrial centers of the continent — the high-technology regions of southern Germany, the Paris-Lyon area and southern Europe.

"In order to remain Europe's foremost country of transit, Holland must develop a new range of specialized industries supplying component parts to the industrial giants of West Germany, the United States and Japan," said Deputy Foreign Minister Berend-Jan van Vroon tot Voorst, the cabinet's European specialist. New small and medium companies must trade on the Dutch reputation for reliability and speed of communications to become an integral part of the computerized "just-in-time" manufacturing systems of the big concerns, he said.

The act, which was created as one of the most spectacular features of the Dutch welfare state, is now judged to have been destructive for individuals and society. Young people who invoked it sometimes as a lark, discovered many years later that they were regarded as unemployable for life.

Unemployment remains one of the country's most urgent problems. New jobs have been created but have gone mostly to newcomers to the labor market — such as married women who are seeking employment in record numbers, a trend that had started earlier in the rest of Europe. Mr. Lubbers's promise to reduce the number of jobless by 50,000 a year has proved to be unrealistic.

The Lubbers government is trying to create a "responsible, caring society" said Arie Oostlander, the head of the Christian Democrats' think tank.

The idea, he explained, is for

hundreds of institutions to act as "social partners" and to assume as many as possible of the responsibilities that previous governments had given to the state. Schools, for instance, should be independent

but subsidized; hospitals and similar institutions should be run by nonprofit organizations; unions, insurance companies, professional organizations, client and consumer groups should deal with each other while the government remains the mediator and providing a framework.

So what is their mood as the Dutch are pondering their chances in Europe?

"Every Dutchman is part worker and part trader, claiming to take the high ground but adept at making deals and driving a hard bargain," said Peter Bruse, editor of Elsevier weekly.

The most notable single change in social welfare policies has been the tightening of the Disability Act under which anyone claiming "psychological disability" was able to get full compensation.

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one of the most spectacular features of the Dutch welfare state, is now judged to have been destructive for individuals and society. Young people who invoked it sometimes as a lark, discovered many years later that they were regarded as unemployable for life.

Unemployment remains one of the country's most urgent problems. New jobs have been created but have gone mostly to newcomers to the labor market — such as married women who are seeking employment in record numbers, a trend that had started earlier in the rest of Europe. Mr. Lubbers's promise to reduce the number of jobless by 50,000 a year has proved to be unrealistic.

The Lubbers government is trying to create a "responsible, caring society" said Arie Oostlander, the head of the Christian Democrats' think tank.

The idea, he explained, is for

hundreds of institutions to act as "social partners" and to assume as many as possible of the responsibilities that previous governments had given to the state. Schools, for instance, should be independent

In its September budget statement, the government acknowledged that imbalances on the labor market were causing problems and hinted at the possibility of either lowering minimum wages to create more jobs for low-skilled workers or reducing the social security premiums paid by businesses, thereby making it cheaper for them to hire unskilled labor.

In October, Mr. Lubbers put forward the idea of allowing employers to pay newly hired employees 90 percent of the current minimum for the first year. The idea is that reducing wage costs will encourage business to create more jobs at the lower end of the job spectrum.

But the proposal is highly controversial. Three previous attempts by the government to alter minimum wages have failed to garner enough support in the Staten Generaal, or parliament.

RONALD VAN DE KROL is a journalist based in Amsterdam.

Imbalance in Job Scene

Continued from page 7

industries, many of these former guest workers and their families have never been able to find new jobs. As much as 40 percent of Turkish and Moroccan adults in the Netherlands are unemployed, the ministry estimates.

For all these reasons, "retraining" and "schooling" have become the latest buzzwords in unemployment policy, replacing the emphasis on shorter working weeks and a "redivision of labor" that marked much of the early 1980s.

Sizing up the new emphasis on job skills, the government launched a three-year project in April aimed at holding a personal "reorientation talk" with all the 170,000 people who have been out of work for more than three years.

The project, being carried out by the official government labor exchanges, is designed to produce a "personal action plan" consisting of either a place in a job-training scheme, suggestions for additional schooling or even a job.

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For further information: Het Rijnlands Lyceum Oegstgeest, Apollolaan 1, 2341 BA Oegstgeest, The Netherlands. Tel. 071-155640, Drs. A.J.M. Vaessen, headmaster.

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MADISON AVENUE

If They Loved It in Peoria, It May Play in Osaka, Too

By BRUCE HOROVITZ

Los Angeles Times Service

LOS ANGELES — It hooked up Michael Jackson with the giant Japanese phone company Nippon Telegraph & Telephone. It matched Madonna with Mitsubishi Home Electronics. And if pegged Paul Newman as a pitch man for Fuji Card, a Japanese credit card. If you don't remember any of these commercials, you may not have seen them. The spots air almost exclusively in Japan. The agency behind the ads is the tiny Los Angeles division of Dentus, the world's largest advertising agency group, with \$6.8 billion in billings.

Dentus also owns a huge advertising agency in the United States called HDM. But separately, and for years almost anonymously, Dentus has maintained a separate Los Angeles

Saudi Output Climbs

Peak Production At End of Month

Reuters

ABU DHABI — Saudi Arabia increased its oil output to a peak of 7 million barrels a day in the last week of October, in an effort to force OPEC to accept a new production agreement, oil industry sources said Tuesday.

Saudi output averaged 5.55 million barrels a day for all of October, up from 4.9 million barrels a day in September, they said. Saudi Arabia's daily quota, as set by the Organization of Petroleum Exporting Countries, is 4.343 million barrels.

Saudi Arabia seems determined to apply the bitter medicine to OPEC until others agree on new output levels," said an oil industry executive, noting that a glut caused by high OPEC production hurt the kingdom at the least of all the cartel's members.

The sources said Saudi Arabia was apparently flooding the market in advance of a meeting of oil ministers from the 13 OPEC countries in Vienna from Nov. 21, which is being held to consider a new pact on output and prices.

Oil prices fell Tuesday in New York. North Sea Brent slipped to \$12.24 a barrel from \$12.36 on Monday, while West Texas Intermediate, the benchmark U.S. grade, eased to \$13.43 from \$13.78 for December delivery.

The current OPEC output of more than 21 million barrels a day is at least 2 million barrels higher than the demand for OPEC oil, the industry sources said. The main obstacle to a new production pact is Iran's opposition demands by Iraq to be allocated an equal quota.

Some executives cautioned that, even if OPEC agreed in Vienna to cut output, Saudi Arabia might find it hard to slow production.

The sources said a steep rise in Saudi exports was the main reason behind the jump in daily output to 7 million barrels in the final week of October, from 5.3 million the previous week.

They said the kingdom's tanker chartering company, Vela, had hired about a dozen supertankers to load crude oil in November.

With about 60 percent of its total costs going for salaries, the company is pinched any time a consultant is not employed by a client.

So far lack of business has not been a problem.

From 1983 to 1987, revenue has soared 200 percent

to 4.18 billion francs, and net earnings have leaped 289 percent to 280 million francs. Employment, meanwhile, has increased 168 percent to 10,600.

During the annual shareholders meeting in May, Mr. Kampf predicted "an excellent" 1988. "Our ambition is to grow by 30 percent a year at least for the five years to come," he said.

Cap Gemini was well beyond its target for the first half: it recently reporting that revenue grew 64 percent to 2.77 billion francs. For the full year, the company estimated sales would increase 34 percent to around 5.6 billion francs.

"We are in a business where growth is absolutely mandatory," said Michel Berry, corporate secretary.

"Like in riding a bike, we have to keep moving or else we'll fall down."

The pressure for growth, he said, comes from the economics of the computer consultancy business.

Cap Gemini, the French computer-software services company, developed the first system to aid automaker Renault in repairing automatic transmission systems. The executive chairman, Serge Kampf, right, is presiding during a period of aggressive expansion.

Cap Gemini Seeks to Circle Globe

French Computer Consulting Firm Pursues Expansion

By Jacques Neher

Special to the Herald Tribune

PARIS — Cap Gemini, the biggest computer-software services company in Europe, is mounting an expansion drive in hopes of becoming one of the largest such companies in the world.

The concern, which specializes in software and computer systems consulting for medium and large-sized companies, is shopping for acquisitions in the United States. Earlier this year, it took a minority stake in a major British competitor, Semia Group PLC, and has reportedly been buying more stock in Semia Group recently.

To help fund the expansion drive, Cap Gemini plans to issue new shares this autumn to raise up to 600 million francs (\$98.4 million), it announced in September.

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"Like in riding a bike, we have to keep moving or else we'll fall down."

If the pace of growth can be sustained, Mr. Kampf said, the company's sales by 1996 would approach \$8 billion, prompting a corresponding

See GEMINI, Page 14

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Key U.S. Index Slipped 0.1% In September

The Associated Press

WASHINGTON — The government said Tuesday that its main forecasting gauge of future economic activity edged down 0.1 percent in September, its second decline in the last three months

The index of leading indicators rose 0.5 percent in August and 0.7 percent in June, but fell 0.7 percent in July.

Economists believe this roller-coaster performance is a signal that the economy, which was expanding at a robust pace in the first six months of 1988, is slowing.

Overall economic growth as measured by the gross national product dropped to an annual rate of 2.2 percent from July through September. Many analysts believe that this modest pace will continue in the current quarter and for most of next year.

David Wyss, an economist with Data Resources Inc., said the leading index was signaling a slowdown, which would give the economy breathing room and lower inflationary pressures built up by heavy demand and tight labor markets.

"We are seeing a pretty sluggish leading indicator and that is consistent with where the economy is going," he said. "We are looking for an economy that is slowing but not stopping."

He predicted that GNP would grow 2.3 percent for 1988. GNP is the total value of a nation's output of goods and services.

The export boom is clearly gone, capital spending has tailed off and consumers haven't been too eager to spend either," said Mr. Evans. "That is basically the whole economy."

But Beryl Sprinkel, the chief presidential economic adviser, said in a speech last week that there was no reason for a recession to occur soon.

"Recessions don't just happen," he said. "They are caused by policy mistakes."

If a recession does occur next year, many analysts are fearful that it will be triggered by the Federal Reserve Board pushing interest rates too high.

designed to give some hints of economic activity six to nine months into the future.

Many economists who had at one time been fearful that the next U.S. president would face a recession in his first year in office, have revised that view and now believe the next downturn will not come until 1990.

But the leading index is signaling slower growth. For the past 12 months, it has risen just 0.7 percent, compared to an increase of 6.7 percent in the previous 12 months.

For September, the biggest factor holding the index back was a drop in plant and equipment orders, followed by a fall in building permits. Other factors depressing the index were a decline in raw materials prices and slower growth in the money supply. Falling prices are viewed negatively as a sign of lower demand.

Five of the available nine indicators made positive contributions to the index. The biggest positive force came from an increase in the average breathing room and lower inflationary pressures built up by heavy demand and tight labor markets.

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Ruling Aids Raleses Bid For Interco

The Associated Press

NEW YORK — The Rales brothers won a major victory Tuesday in their hostile \$2.7 billion bid for Interco Inc., when a court issued a preliminary injunction blocking the furniture and apparel company's poison-pill defense.

The ruling in Delaware Chancery Court should allow the Washington-based Rales brothers to proceed with their \$74-a-share tender offer.

Neither the Rales brothers nor Interco could be reached immediately for comment. Cindy Carpenter, a spokeswoman for Steven M. Rales and Mitchell P. Rales, said that unless Interco appeals the ruling, it appears that the brothers can begin purchasing shares under the offer.

In active trading on the New York Stock Exchange, Interco jumped \$4 to \$71.75 a share.

Ms. Carpenter said the court rendered judgment on whether Interco could issue a special dividend. The St. Louis-based company in September countered the brothers' offer with a multibillion-dollar defensive restructuring that includes paying a special \$35-a-share dividend to shareholders.

The Raleses own 8.7 percent of Interco's stock. Their latest offer, made through Cardinal Acquisition Corp., is subject to 75 percent participation among Interco's 36.2 million shares outstanding, as well as the withdrawal of the poison-pill shareholder rights plan.

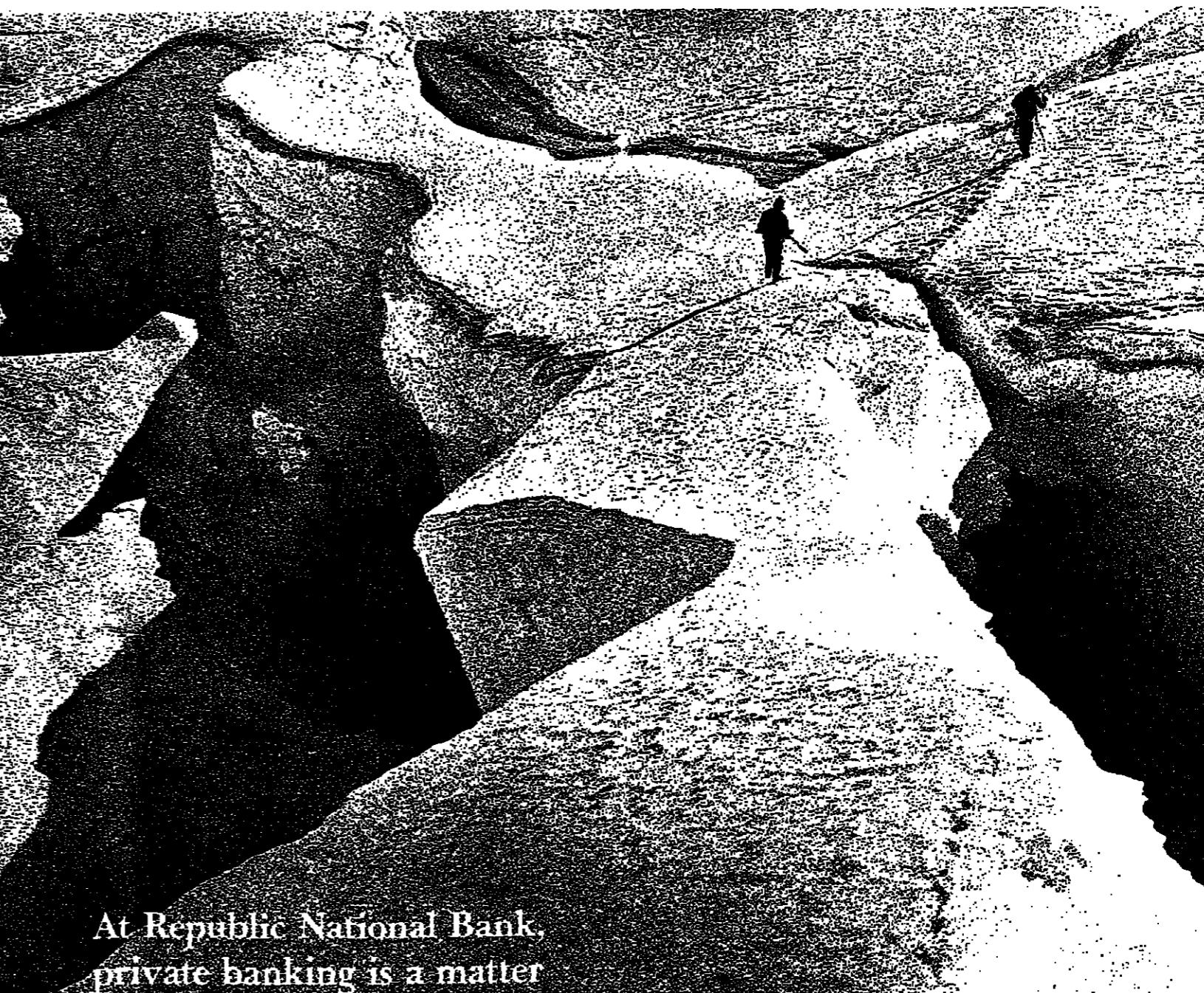
Earlier Tuesday, Cardinal announced that more than 24 million Interco shares had been tendered. Those shares, coupled with the Rales' previous holdings, represent 77 percent of the company's outstanding stock. The offer was due to expire at midnight Tuesday.

Cardinal, which opened the bidding for Interco at \$64 a share last July, increased its hostile offer from \$70 a share to \$74 two weeks ago.

Ms. Carpenter said the fact that the Federal Trade Commission subpoenaed the brothers last week should have no effect on the tender offer. The partnership disclosed last Thursday that it had been subpoenaed in connection with an investigation of possible antitrust violations.

The Delaware ruling came after Interco succeeded in temporarily halting Interco's tender offer. In arguing to block the bid, Interco alleged that Cardinal failed to divulge that Drexel Burnham Lambert Inc., the investment firm, is a co-bidder in the takeover attempt.

Interco manufactures men's and women's clothing, footwear, furniture and home furnishings.



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After all, the agency figures
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One way to do the job,
course, is to understand Hol-
lywood. With that in mind,
several employees spend most of their time simply scanning through
American magazines, especially entertainment

"We're not an ad agency," said Takashi Nakamura, president of Dentus Inc. of Los Angeles. "Our function is to export American expertise to Japan. We create concepts and promote ideas."

Meanwhile, Mr. Lifson is trying to convince Dentus executives in Japan that some of America's comic book and cartoon heroes — including Batman, Archie and Grumpy — could be very popular corporate symbols for some of Dentus' Japanese clients.

"They like American pop culture in Japan," he said. "The Japanese have a much more highly aesthetic appreciation for things like animation than we do. To them, it's not just a kid's stuff."

Dentus has had a Los Angeles office since 1961, but for more than 20 years it was primarily a place where clients went when they wanted a sightseeing tour of the Los Angeles area, said Mr. Nakamura. The office only had one employee until 1984, when the Summer Olympics in Los Angeles became a focus for a advertising firm.

It was this office that played a role in linking Fuji with a blimp for the Olympics.

Now, the office is becoming more aggressive in helping its parent beckon U.S. companies who want to expand their corporate presence in Japan. It has, for instance, just printed a glossy brochure, boasting of its numerous marketing efforts and the

success of its London, Paris, Tokyo and New York offices.

See ADS, Page 15

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BUSINESS ROUNDUP

Commerzbank Buys Bank Stake in Brazil

By Ferdinand Protzman

International Herald Tribune

FRANKFURT — Commerzbank AG said Tuesday it has acquired a 10 percent stake in Unibanco, Brazil's third-largest banking group, for 130 million Deutsche marks (\$73.5 million).

The move is designed to strengthen the presence of West Germany's third-largest commercial bank in South America.

Commerzbank acquired the stake by lifting its holding in Banco de Investimento do Brasil SA, a Unibanco subsidiary, to 15.4 percent from 5 percent. Commerzbank has had a stake in Investimento do Brasil for over 20 years and began expanding it by participating when the Brazilian bank raised its capital in October.

In addition, Commerzbank acquired small holdings in Investimento do Brasil from Credit Suisse of Switzerland and two U.S. banks, Harris Bank Corp. and Philadelphia International Investment Corp.

"In the next few months the various banks which form the Unibanco group will be merged into one bank," said Peter Pietsch, a spokesman for Commerzbank.

"We will have a 10 percent stake in the new Unibanco via the holding in Investimento do Brasil, which specializes in long-term financing."

Mr. Pietsch said the merger has already been approved by Brazilian financial authorities and will follow "fairly automatically" in the next few months.

Daishi Kangyo Bank of Japan holds 12 percent of Unibanco.

Commerzbank made the acquisition to strengthen its presence in Brazil and to provide better customer service, Mr. Pietsch said.

In a statement, Commerzbank said the acquisition was a sign of confidence in the Brazilian economy and pointed out that Brazil ranks fourth behind the United States, France and the Netherlands

Allied-Lyons' Oil Unit Is Sold to Gulf Canada

Reuters

LONDON — Allied-Lyons PLC, the British food and beverage group, said Tuesday it had sold its U.S. oil and gas subsidiary, HPC Inc. of Denver, to Gulf Canada Resources Ltd. for 227 million Canadian dollars (\$186 million) in cash.

The sale is part of company strategy of selling non-core assets, Allied-Lyons said. The proceeds will be used to reduce debt. HPC had a pretax profit of \$3.5 million in the year ending Feb. 29.

in direct West German foreign investment.

In the first half of 1988, Commerzbank's partial group operating earnings fell 5.6 percent to 519 million DM from 531 million DM a year earlier. West German banks' partial operating earnings include interest and fee earnings, less spending on plant and equipment. The banks traditionally do not release full operating earnings, which include results from trading on their own account.

Commerzbank's lower profit in standard banking business was more than offset by strong results in its own-account trading operations in securities, gold and foreign exchange, pushing total group operating income up 8 percent from a year earlier.

In 1987, Commerzbank posted pretax operating profit of 1.5 billion DM, while its group assets totalled 161.73 billion DM.

The largest commercial banks in West Germany, Deutsche Bank AG and Dresdner Bank AG, with Commerzbank, have been jockeying for position to take full advantage of the planned opening of the European Community's single market in 1992.

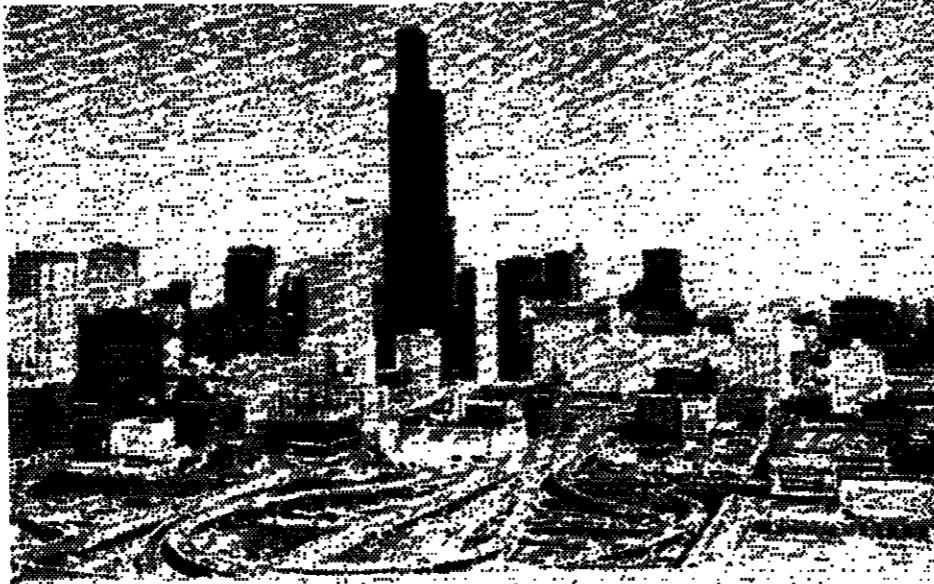
Dresdner Bank, in second place, took the latest step Monday, announcing plans to raise \$780 million DM through a share offering during November. The bank said it will issue 3 million new shares of common stock at a price of 260.00 DM a share to stockholders one a one-for-nine basis.

Banking analysts said the move gives Dresdner Bank ample room for expansion. Market rumors persist that it is planning a joint life insurance venture with Allianz AG, West Germany's largest insurer. Both Dresdner and Allianz have consistently denied the rumors.

Although Dresdner Bank acquired a 30 percent stake in BNP-AG Bankasi AS of Istanbul in August, Deutsche Bank and Commerzbank have been more active internationally.

Under the managing board chairman, Walter Scipp, Commerzbank has concentrated on building up its investment banking business worldwide, expanding its operations in New York, Tokyo and London. The bank is still hoping to expand its holding in Credit Lyonnais of France to bolster its European operations.

Deutsche Bank has followed a similar strategy and also has begun to build its profile in smaller markets, such as Australia, where it purchased in September a 50 percent stake in Bain & Co., a Sydney-based brokerage and financial services group.



The Sears Tower in Chicago: World's tallest building may be world's biggest real estate transaction.

Sears Tower Could Fetch \$1 Billion

Sale Will Be Biggest-Ever Real Estate Deal, Agents Say

By Eric N. Berg

New York Times Service

CHICAGO — The sale of the 110-story Sears Tower, the world's tallest building and an emblem of the Chicago skyline, will bring more than \$1 billion, the highest price ever for a single building, real estate professionals have predicted.

These experts said the most likely buyer would be a major U.S. developer who has the financial backing of a consortium of institutional investors, possibly including insurance companies, pension funds, university endowments, and foreign institutions.

The real estate professionals said, however, that the planned sale announced Monday by Sears, Roebuck & Co., was expected to test the marketing prowess of the three concerns asked to sell the tower in a worldwide auction: Goldman, Sachs & Co., Dean Witter Reynolds, and Coldwell Banker.

One difficulty in lining up buyers may be that only 600 top executives of Sears will remain in the tower, while 8,000 of its merchandising employees will be moved to another location. As a result, about 3.7 million square feet (333,000 square meters) in the tower will be empty, leaving the new owner to lease nearly two million square feet of vacant space.

"The fact that Sears is leaving the building creates a mammoth risk for a new owner who has to lease up the building in the face of a soft office market," said Lloyd N. Lyman, president of Jones Lang Wootton, an international real estate research concern.

Although no one has been asked yet to bid on the Chicago market is currently overbuilt.

In the downtown area where the Sears Tower stands, known as the Loop, there is already a 15 percent vacancy rate. About 16 million square feet out of a total 105 million are empty. Another five million square feet of new space is expected to become available in the Loop during the next two years, space that will compete with.

Sears executives said they chose to relocate 8,000 employees in the merchandise group rather than face the likely demand.

Like most other major building sales, the disposition of the Sears Tower will be done on a global basis.

Before the sale, a selling document will be assembled detailing the income stream from the tower and the costs of running it.

It is believed that the selling document will be distributed to interested buyers by Goldman, Sachs and Coldwell Banker. Dean Witter is expected to work with Goldman to assemble institutional financing or possibly to arrange for bonds to be sold to the public that would be backed by rents from the tower.

In any case, it is expected that the agents will keep the selling document confidential, releasing it only to a handful of investors around the world who have the demonstrated financial muscle to pay \$1 billion for the tower.

Figures that would translate into a total purchase price of \$925 million to \$1.1 billion.

Having spent an estimated \$100 a square foot, or about \$400 million to complete the tower in 1983, Sears would profit handsomely.

"The capital gain will be enormous," said Neal T. Teplia, a senior associate at Jones Lang Wootton, an international real estate advisory firm.

Among the developers mentioned on Monday as being capable of leading a bid for the tower were Tishman-Speyer Properties, of New York, Trammell Crow Co. of Dallas, Gerald D. Hines Interests, of Houston, and JMB Realty Corp. of Chicago.

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Among the developers mentioned on Monday as being capable of leading a bid for the tower were Tishman-Speyer Properties, of New York, Trammell Crow Co. of Dallas, Gerald D. Hines Interests, of Houston, and JMB Realty Corp. of Chicago.

Although no one has been asked yet to bid on the Chicago market is currently overbuilt.

In the downtown area where the Sears Tower stands, known as the Loop, there is already a 15 percent vacancy rate. About 16 million square feet out of a total 105 million are empty. Another five million square feet of new space is expected to become available in the Loop during the next two years, space that will compete with.

Sears executives said they chose to relocate 8,000 employees in the merchandise group rather than face the likely demand.

Like most other major building sales, the disposition of the Sears Tower will be done on a global basis.

Before the sale, a selling document will be assembled detailing the income stream from the tower and the costs of running it.

It is believed that the selling document will be distributed to interested buyers by Goldman, Sachs and Coldwell Banker. Dean Witter is expected to work with Goldman to assemble institutional financing or possibly to arrange for bonds to be sold to the public that would be backed by rents from the tower.

In any case, it is expected that the agents will keep the selling document confidential, releasing it only to a handful of investors around the world who have the demonstrated financial muscle to pay \$1 billion for the tower.

Figures that would translate into a total purchase price of \$925 million to \$1.1 billion.

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Italian Concern Acquires Big Stake in Super Channel

Reuters

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BOOKS

MAN RAY: American Artist

By Neil Baldwin. 449 pages. \$25. Clarkson N. Potter Inc. 225 Park Avenue South, New York, N.Y. 10003

Reviewed by Michiko Kakutani

READERS who have followed the Dada and Surrealist movements are undoubtedly familiar with many of Man Ray's bizarre creations: a ticking metronome adorned with a photograph of a woman's eye ("Perpetual Motion"); an ordinary household iron sprouting a row of tacks on its underside ("Cadeau"); a picture of a woman crying tears of glass ("Larmes"); a painting of a huge pair of lips floating like an otherworldly spaceship, over the spires of Paris ("A l'heure de l'Observatoire"); a photograph of a woman's torso, incongruously made to resemble a violin ("Le Violon d'Ingres").

Because his work was so eclectic, because he moved so restlessly from one medium to another (from painting to film to photography to "object making"), because he hovered around the edges of so many different avant-garde circles in the United States and France, Man Ray has always been a somewhat elusive figure. To some, he was a minor-league Duchamp, eclipsed by his friend's flamboyant talent. To some, he was primarily a photographer who documented the lives of his fellow artists and writers. And to others, he was a catalyst of ideas, a talented provocateur, capable of catalyzing the gears of the avant-garde.

"If Man Ray's art was suspect, it was because it defied easy categorization," writes the scholar Merry Foresta in a new exhibition catalogue ("Perpetual Motion: The Art of Man Ray"). "The artist's elusive personality—American or European? artist or commercial photographer? humor or celebrity?—and his resistance to working in any one style or any one medium all contributed to the puzzle Man Ray presented to his critical audience."

Unfortunately, "Man Ray: American Artist," Neil Baldwin's new biography, will do little to solve that puzzle. Though this earnestly written volume gives us a nice guided tour through Man Ray's world, it fails to sum up or re-evaluate the artist's overall achievement, and it similarly fails to give us a satisfying portrait of this enigmatic man.

No doubt Man Ray would have wanted it this way. Irony and a willful playfulness were the two constants in his work, and a stream-of-consciousness memoir, published in 1963, was similarly intended "to be ambiguous for the average reader."

Information about Man Ray's childhood and formative years was exceptionally difficult to obtain," Baldwin writes, "because Man Ray did not want people to know about his youth. He did not want his family in America to grant interviews about his past. The special tension of Man Ray's early life emerges like a photographic print slowly developing in the tray."

The first son of a Russian emigre tailor and his wife, he was born in Philadelphia in 1890 and named Emmanuel Radnitsky. The family later changed its name to Ray, and the young Man Ray soon took to signing his early paintings "MR." By the time he moved to Paris in 1921, the "existential person" he had invented for himself was in place: he ducked questions about his real identity and his place of birth—he had become Man Ray.

Aside from making fairly generic speculations about Man Ray's need for independence and his wariness of his family's bourgeois expectations, Baldwin offers no real insight into the artist's need to escape from his past, no analysis of how this might have shaped his coy, elusive art. Nor does Baldwin give us any real understanding of Man Ray's timer, imaginative life. Though we are told that on several occasions Man Ray felt suicidal, we never learn the reason for these bouts of depression or their effect on his work.

When it comes to the artist's conflicted relationships with a succession of headstrong women, Baldwin is somewhat more illuminating. He shows us how the artist could get even with a wayward lover by "breaking her up"—that is, by fragmenting her body with the camera or the paintbrush; and he shows us how images of "suppliant women" recurred throughout his oeuvre.

Where Baldwin is probably most eloquent is in describing the assorted artistic worlds that Man Ray inhabited and in delineating his debt to each. We are shown the circle that gathered around Alfred Stieglitz and his 291 gallery in New York, the celebrated Arcane salon that met on the city's Upper West Side (which included Francis Picabia, Edgard Varèse, Joseph Stella, Charles Demuth, William Carlos Williams and Wallace Stevens); the Dadaist movement presided over by Marcel Duchamp and Tristan Tzara in Paris, and the Surrealist school as it emerged under the guidance of André Breton.

Baldwin succinctly sketches in Man Ray's relationship to those last two movements as well as the influence that Cubism and Futurism exerted on his earlier work. Yet, as he points out, Man Ray consistently renounced "all attempts to label or categorize him" and in this sense he remained a perpetual outsider. This is another reason, perhaps, that he has remained such an enigma.

Michiko Kakutani is on the staff of The New York Times.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

1. *THE QUEEN OF THE DAMNED*, by Anne Rice 2 2
2. *THE CARDINAL OF THE KREMLIN*, by Tom Clancy 1 13
3. *THE CLOUT*, by Alan Furst 1 13
4. *ANYTHING FOR BILLY*, by Larry McMurtry 11 2
5. *FINAL FLIGHT*, by Stephen Coonts 4 3
6. *TILL WE MEET AGAIN*, by Judith Krantz 5 12
7. *ALASKA*, by James A. Michener 6 18
8. *THE LADY IN THE TUBE*, by Tom Collins 12 5
9. *KOKO*, by Peter Straub 7 37
10. *THE SHELL SEEKERS*, by Rosamunde Pilcher 10 8
11. *SPOCK'S WORLD*, by Diane Duane 12 52
12. *THE BONFIRE OF THE VANITIES*, by Tom Wolfe 13 8
13. *THE SILENCE OF THE LAMBS*, by Thomas Harris 13 8
14. *LOVE IN THE TIME OF CHOLERA*, by Gabriel García Márquez 9 28

NONFICTION

1. *A BRIEF HISTORY OF TIME*, by Stephen W. Hawking 1 28
2. *THE RAGMAN'S SON*, by Kirk Douglas 1 28
3. *THE FIRST SALUTE*, by Barbara W. Tuchman 15 3
4. *A BRIGHT SHINING LIE*, by Leo Damrosch 13 2
5. *SENATORIAL PRIVILEGE*, by Leo Damrosch 6 12
6. *LANDSLIDE*, by Jane Mayer and Doyle McManus 7 4
7. *THE BOZ*, by Brian Bosworth with Rick Reilly 9 8
8. *THE LIVES OF JOHN LENNON*, by Albert Gold 9 8
9. *THE DUCHESS OF WINDSOR*, by Charles Higham 10 3
10. *SURVIVING THE GREAT DEPRESSION OF 1990*, by Ravi Ravinder 8 3
11. *ADVICE, HOW-TO AND MISCELLANEOUS*, by Chuck Yeager and Charles Lurquin 13 3
12. *GOLDWATER*, by Barry M. Goldwater with Jack Caster 14 1
13. *GENERATION OF SWINE*, by Hunter S. Thompson 14 46
14. *TRUMP*, by Donald J. Trump with Tony Schwartz 15 11
15. *GENERATION OF SWINE*, by Hunter S. Thompson 11 16

ADVICE, HOW-TO AND MISCELLANEOUS

1. *THE 6 WEEK CHOLESTEROL CURE*, by Robert E. Kozlowski 1 69

2. *SWIM WITH THE SHARKS WITHOUT BEING EATEN ALIVE*, by Harvey Mackay 2 30

3. *ADVICE, HOW-TO AND MISCELLANEOUS*, by A. L. Williams 3 8

4. *WEBSTER'S NEW WORLD DICTIONARY*, (Simon & Schuster) 4 3

5. *WEBSTER'S NINTH NEW COLLEGATE DICTIONARY*, (Merriam-Webster) 5 161

Commercial Index: 1,607.39

Previous: 1,611.39

PAI Index: 267.26

Previous: 267.26

Swiss Index: 1,602.00

Previous: 1,602.00

United Overseas Bank Index: 1,602.00

Previous: 1,602.00

United States Times Index: 1,602.00

Previous: 1,602.00

SPORTS

Who's Who for Rugby's '88-89 Season

By Bob Donahue
International Herald Tribune

LONDON — While New Zealand besides the sport like Gilbert peering down at Liliput, half of rugby's "big eight" launch another international season this Saturday with tests in Europe.

At its grand old shed in Twickenham, west of London, England-of-the-high-hopes will play Australia, which has fallen far in 18 months. Australia will try to smit off the rekindled French at a new soccer stadium in Nantes.

France will then take on the Argentines again in Lille on Nov. 11. The Australians go to Edinburgh on Nov. 19 to play Scotland.

The annual Five Nations program — 10 matches among England, Scotland, Ireland, Wales and France — runs from Jan. 21 to March 18, after which the French will leave for a daunting tour of New Zealand.

Who's who as the 1988-89 season gets into gear? There have been lots of changes since the start of the 1987 World Cup.

Australia's Wallabies were last leading the world and cocky. Now they are way down in seventh place after a bad series with New Zealand in July. Scotland has slipped from fourth to sixth. Ireland has free-fallen from fifth to eighth.

France has barely held on to second place while England climbed from eighth to fourth. Wales, up from sixth to third, and Argentina, up from seventh to fifth, may be overvalued in the current table.

And New Zealand? To say that the All Blacks are first place is an understatement. It's hard to imagine that they were in third a mere year and a half ago.

RUGBY'S BIG EIGHT

Last 10 tests among the eight

	Win	Draw	Loss	Tries
1. New Zealand	9	1	0	52
2. France	6	1	3	19
3. Wales	6	0	4	16
4. England	4	0	6	15
5. Argentina	3	2	5	8
6. Scotland	3	1	6	15
7. Australia	2	2	6	19
8. Ireland	2	0	8	13

Last test (July 30): Australia 9, New Zealand 30. Next (Nov. 5): England-Australia, France-Australia.

Back then, they had lost twice to Australia, lost once to France, drawn once against Argentina and totaled 19 tries in 10 matches. But they won the World Cup (ahead of France, Wales and Australia) and stayed on that upward curve after it.

First, Australia was whipped, 30-16, in July 1987. Then scores of 52-3 and 54-9 in mid-1988 were the worst that Wales has ever endured. Last July, against Australia again, New Zealand allowed a 19-19 draw in between lopsided victories of 32-7 and 30-9.

Nothing in rugby history approaches the All Blacks' last season total of 52 tries in their last 10 matches. Their opposition since June 1987 has been Argentina, Scotland, Wales (three times), France and Australia (four).

Jacques Fouroux, the French coach, is trying to model his squad on the All Blacks. He proclaims an ambition to make the French No. 1 in time for the next World Cup, in 1991.

In the last of the major national teams to go to South Africa was

But they struggled to share the Five Nations title with Wales last winter, looked jaded in Buenos Aires last June and now need to accelerate out of their post-World Cup doldrums. Anything less than a one-sided series against Argentina would be cold water on Fouroux's fire.

All eight squads are building with 1991 in mind. But the plausible challenger of New Zealand would be South Africa if the Springboks were politically inviolable or visible. The International Rugby Football Board, meeting in London this week, is expected to authorize a tour to South Africa by an international squad next year to help the South African Rugby Board celebrate its centenary.

But no end is yet in sight to the boycott of South Africa by national teams, despite the flutter stirred by the SARF's recent contacts with the African National Congress.

In the Lilliputian calculus, meanwhile, England has to win to stay in fourth place. Defeat would haul it down to seventh.

England in 1984. (The Springboks won both tests, 33-15 and 35-9.) The last official Springbok tour to a major country was to New Zealand for a three-test series in 1981. (The All Blacks won two and lost one.)

John Kirwan, the big All Black wing, has starred in New Zealand's scoring splurge this year. One sign that try-scoring by backs is a reviving art: Of the eight men with 20 or more career tries since international rugby started in 1871, four are still in action — Kirwan, aged 23, Australia's David Campese, 26, and France's Serge Blanco, 30, and Philippe Sella, 26. Campese, Blanco and Sella will be on show Saturday.

By a rare accident of scheduling, both of Saturday's matches resume battles waged in the Southern Hemisphere a few months ago. The French split a series with Argentina. England's last results were defeat in Brisbane and Sydney.

But an English revival, first

discernible last winter, seems to

be gathering verve. The Wallabies

have had uncommon trouble

against English divisional teams

in their warm-up matches.

The new English captain is a

22-year-old center, Will Carting.

Andrew Hartman, 24, the son of

a Nigerian chief, makes his debut

on the right wing — "the first

prince to play for England since

Alex Obolensky in 1936" — a Lon-

don don writer points out. Obolensky, Twickenham, 1936, the Oxford

Russian's historic try, victory over New Zealand — exciting

stuff reinvented.

In the Lilliputian calculus,

meanwhile, England has to win to

stay in fourth place. Defeat

would haul it down to seventh.

The Colts' Eric Dickerson dives over Bronco defenders to score the third of four touchdowns.

Dickerson and Colts Crush Broncos

The Associated Press

INDIANAPOLIS — Eric Dickerson rushed for 159 yards to break 1,000 yards for a sixth consecutive season and scored a career-high four touchdowns as the Indianapolis Colts stunned the Denver Broncos, 35-23, in a National Football League game Monday night.

The Colts, scoring on seven of their nine first-half possessions, forced four fumbles, sacked John Elway, the Broncos quarterback, three times and didn't let Denver cross midfield until its seventh possession, five minutes into the second quarter.

By that time, Indianapolis led 31-0 on Dickerson's four touchdowns and the first of two field goals by Dean Biasucci. The Colts built the margin to 45-10 at half-time, four points short of the NFL record for points in a half. The mark is held by Chicago against Philadelphia in 1941 and Green Bay in 1983 against Tampa Bay.

Quarterback Ray Hoggboom, replacing starter Chris Chandler when the Colts went to a wishbone offense, threw a 53-yard touchdown pass to Bill Brooks in the second quarter. Biasucci got another field goal in the third quarter and Albert Bentley rushed for a fourth-period touchdown as Indianapolis evened its record at 4-5.

The loss left the Broncos at 4-5 also.

Dickerson, the NFL rushing leader, rushed 21 times in the game. He had 124 yards in the first half and was used sparingly in the final two periods. He raised his season total to 1,038 yards, tying Franco Harris and Walter Payton for the most consecutive 1,000-yard seasons. Dickerson, however, became the first to do it in his first six years in the league.

Dickerson, who came to Indianapolis in a trade with the Los Angeles Rams a year earlier to the record, broke the Colts' record of three rushing touchdowns in a

Montana Feels the Trade Winds

The Associated Press

SANTA CLARA, California — A burgeoning quarterback controversy was blown wide open Monday when the veteran Joe Montana said that Coach Bill Walsh may be ready to trade him from the San Francisco 49ers.

"I can't say, but I think maybe he's trying to get rid of me," Montana said. "For some reason, I think Steve gets too caught up in the competition with me," a reference to Steve Young, who has been Montana's backup.

Earlier Monday, Walsh said that Young, whose 49-yard touchdown run lifted the 49ers to a 24-21 victory over the Minnesota Vikings on Sunday, would probably start next weekend's game against the Phoenix Cardinals.

"I can't say, but I think maybe he's trying to get rid of me," Montana said. "For some reason, I think Steve gets too caught up in the competition with me," a reference to Steve Young, who has been

Montana's backup.

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